

Steel safety cover withdrawn in Yorkshire

The withdrawal of all safety cover on BSC plants was ordered last night by the South Yorkshire steel strike coordinating committee. It said a national policy of withdrawal was being formulated, but maintenance men were being withdrawn last night from a computer centre near Rotherham. Hadfield's of Sheffield, a Lonrho-owned plant, said it would withhold taxes due to the Government.

Move to extend action throughout Britain

From Ronald Kershaw Rotherham
The South Yorkshire steel strike co-ordinating committee last night took the unprecedented step of ordering the withdrawal of all safety cover on British Steel Corporation's strike-bound plants.

After a three-hour meeting a committee spokesman said that the order would have immediate effect in South Yorkshire and Humberside, but plans were being formulated to extend the action throughout the country.

The implications of the move are serious in terms of cost and of the future of the steel industry in Britain.

If new coke ovens at the Scunthorpe complex are permitted to go cold it will cost £80m to £100m and take two years to rebuild them to operating standards. The 10,000-tonne Redcar blastfurnace produces 350 tonnes of iron every 24 hours and is the sole supply of iron and steelmaking in the North-East. In South Yorkshire the hearths of electric arc furnaces will crumble without regular attention.

Mr Stanley Sideridis, press spokesman for the strike committee, said: "We have decided to put the boot in."

He admitted that the implications of the move could be "disastrous" and said: "The BSC management has been sitting back for the past six weeks and not producing one ounce of steel."

Other strike committees had been contacted and a national policy of withdrawal of safety cover was being formulated.

"We have been sitting back quietly maintaining plants while 15,000 managers have been getting paid week after week. There comes a time in a strike when the gloves have to come off," he said.

The withdrawal would start

last night with maintenance men being withdrawn from the BSC computer centre at Aldwarke, near Rotherham, he said. Withdrawals would be phased over a period but their effect would be apparent within 48 hours.

From that point safety cover would be the responsibility of the BSC and the Government.

BSC management made any secret about the urgency of maintaining safety cover and the threat to the industry if it were withdrawn.

Hadfield's of Sheffield, one of South Yorkshire's biggest private sector steelmakers, yesterday announced that it intends to withhold about £2m a month in income tax, National Health Service contributions from employees' wages and value-added tax until the end of the steel strike.

That amount, payable to government departments, is close to the sum the company is losing because of the steel strike.

Mr Derek Norton, chairman of the company, said messages received from other industrialists indicated that more private sector companies might withhold payments.

Hadfield's is part of the Lonrho group and yesterday's unanimous decision by the board of nine directors had the full support of Mr Roland (Tiny) Rowland, chairman of Lonrho, Mr Norton said.

He added: "The board has decided that... we are going to picket the company cheque book until the strike is over."

Prosecution threat: Hadfield's action could lead it open to prosecution by three government bodies: the Department of Health and Social Security for non-payment of national insurance; the Customs and Excise over VAT; and the Inland Revenue for refusal to pay tax (the Press Association reports).

"There is a legal liability to pay these taxes, both for themselves and their employees", the DHSS said.

Iran leader pledges revolution 'export'

Tehran, Feb 4.—Mr Abolhasan Bani-Sadr tonight became Iran's first president when his overwhelming election victory was endorsed by Ayatollah Ruhollah Khomeini in a ceremony at a Tehran hospital.

The 79-year-old revolutionary leader, recovering from a heart ailment, left his bed and accompanied by his doctors walked to a waiting room to join Mr Bani-Sadr.

Mr Bani-Sadr stood to kiss the hand of the Ayatollah, who walked steadily and looked fit after his 12-day stay at the hospital.

His son, Hojatoleslam Ahmad Khomeini read the formal notice of endorsement on behalf of his father. It said: "Mr Bani-Sadr has been chosen by the majority vote of the people and according to the constitutional position of the theologian, I appoint him President of the Islamic Republic."

Speaking to hundreds of thousands of people at a Tehran cemetery hours before the ceremony, Mr Bani-Sadr said: "Our revolution will not win if it is not exported. We are going to create a new order in which deprived people will not always be deprived and oppressors will not always be oppressors."

Several hundred foreign guests, mostly Muslims but including a group of Americans, and the Greek Catholic Archbishop of Jerusalem, Mr Hilarion Capucci, heard him speak. They attended prayers at the former Sassanid building together with members of the Revolutionary Council.

Mr Bani-Sadr told the crowd: "At the moment Iran has many economic and cultural problems and political unrest which we cannot end in two or three days. Victory will come through hard work."

Hojatoleslam Khomeini read a message from the Ayatollah supporting all liberation movements which "are fighting for God, righteousness, justice and freedom."

It singled out Iran's support for Muslim insurgents fighting against the Soviet supported Government in Afghanistan.

"Again we announce our support for our Afghan brothers and we severely condemn the occupation of the invaders. We are Muslims and East as well as West are not important for us."

One of the visiting Americans, 30-year-old black Muslim, Mr. Noor Ahmad, of Berkeley, California, told reporters: "Basically the Islamic Republic of Iran has a good pattern for Muslim countries."

Mr Ali Seddeghi, a 35-year-old Pakistani-born American who heads the Muslim community in California, said: "The Islamic revolution of Iran has had a great impact on Muslims in America."

President Bani-Sadr today received a message of congratulations from President Brezhnev, emphasizing non-intervention and good-neighbourliness.—Reuters.

Gaddafi visit: Colonel Muammar Gaddafi, the Libyan leader announced that he would visit Iran soon for talks with Ayatollah Khomeini, the Libyan news agency Jann reported today.—Reuters.

London in the last few months has more than offset the outflow of private capital from Britain since the abolition of exchange controls last autumn. Overseas investors appear to be attracted by the high level



Aftermath of a riot: Blanket-wrapped prisoners huddle together under the gaze of National Guard men.

Prisoners tell of atrocities after 35 deaths

San Francisco, Feb 4.—Fires still burnt in the New Mexico state prison today as 1,100 prisoners huddled in tents outside describing murder, torture and mutilations that left at least 35 inmates dead, scores wounded, and 15 others missing.

Three more bodies were found today, according to a police sergeant. Mr Bruce King, the Governor of New

Mexico, said at least seven died of drug overdoses, others suffocated in the smoke and some were murdered.

He added that 50 prisoners were unaccounted for, including the dead, after the takeover which began on Saturday morning, prompted by demands for improved prison conditions.

Prisoners settled old grudges and during the 33-hour uprising attacked other prisoners thought to be friendly to guards, prisoners said. They added that some of the rioters, crazed with drugs, cut off prisoners' arms and legs and set others on fire.

The flashpoint on Saturday occurred when two prisoners, discovered drink-

ing a spirit they had brewed themselves, attacked two guards.

Rioting spread through the prison and 15 guards were taken hostage by prisoners. Police sharpshooters and heavily armed National Guardsmen stormed the prison yesterday, after noon to regain control without, they said, firing a shot. But 50 guards and prisoners had to be taken to local hospitals. One guard and seven prisoners are said to be in critical condition.

State officials said it may cost as much as \$50m (about £22.7m) to replace the state's only maximum-security prison, built to house 850 and holding 1,136 when the riot broke out. —AP, Reuters and UPI.

Sterling demand and gold price push reserves to record level

By Caroline Atkinson

Britain's official reserves were pushed up by \$987m (£435m) to a record of \$23,706m (£10,436m) at the end of January. The strong demand for sterling, the higher gold price, and public sector transactions were responsible.

But the underlying rise, which is a rough guide to Bank of England intervention in the foreign exchange market, was only \$509m.

Although the Bank intervenes only to smooth out demand for the pound, rather than to change sterling's exchange rate significantly, its intervention has recently been sizable.

In the last two months the underlying inflow of funds into the reserves was more than \$1,000m. In that time the pound has risen by 24 per cent against a basket of currencies, and from \$21.830 to \$22.670 against the dollar, despite the smoothing by the Bank of England.

Hot money attracted into London in the last few months has more than offset the outflow of private capital from Britain since the abolition of exchange controls last autumn. Overseas investors appear to be attracted by the high level

of interest rates in Britain, and by North Sea oil.

These factors have outweighed Britain's high inflation rate, large balance of payments deficit and fears of industrial unrest.

The \$421m addition to reserves caused by a revaluation of part of Britain's gold holdings was contributed to by the European Community and the IMF.

The United Kingdom holds some gold with the European Community system of reserve pooling. This is repaid more frequently than the other gold in the reserves. The quarterly renewal of Britain's pooling arrangement took place last month and a evaluation of the constituent gold added \$341m to the UK reserves.

A further \$80m came from the resumption to Britain of some of the International Monetary Fund's holdings of the UK gold subscription.

There were also substantial public sector transactions during the month which affected the reserves. Nationalized industries repaid a net \$252m of overseas debt in January.

The National Coal Board borrowed \$33m and the Water Council \$7m, but the Electricity Council repaid \$272m, the

North of Scotland Hydroelectric Board \$13m and others \$7m.

Of the Electricity Council repayment, \$150m was an early payment of part of a \$1,000m Eurodollar loan taken out in 1973. There is still several hundred million dollars outstanding of this loan, which the Government has said will be repaid by the end of March.

The Government also paid \$83m to the IMF last month in a scheduled repayment on the oil facility where Britain's debt now totals \$DR750m (\$995m).

Britain's total of overseas debt is still huge. If both principal and interest are included Britain now owes about \$30,000m abroad. The Chancellor said last June that the Government aimed to make substantial repayments of its foreign debt, continuing the programme of the previous government to pay back some debt early and thus lower the amount due in the peak repayment years of the mid 1980s.

Britain's reserves were also raised last month by the receipt of \$DR 304m (\$392m) from the IMF. This was Britain's share of a three-year IMF programme to pay out SDRs to member countries. The final payment under this scheme will come into the reserves next January.

No telephone tapping in tax inquiries

By Our Political Reporter
Interception of telephone calls or mail was not used to assist Inland Revenue inquiries, Mrs Margaret Thatcher said yesterday.

She was replying in a letter to the Conservative MP Mr Geoffrey Dickens (Huddersfield, West) who had asked whether, in any circumstances Inland Revenue or VAT officers could be given authority to either "bug (break and enter), tap telephones, intercept Royal Mail and use any such information recorded as evidence."

She replied that the type of serious crime which the Birkenhead Committee thought might justify the Customs and Excise seeking a warrant from the Home Secretary for interception "was that of a case involving a substantial and continuing fraud which would seriously damage the revenue or the economy of the country if it went unchecked." That continued to be the criterion.

"The only use to which HM Customs and Excise have put information obtained by these means is to assist the detection of serious cases; and it is for that purpose, and not to provide evidence for use in court, that interception is authorized."

Mr Henry Oppenheim, the businessman, was said to be in a "very critical" condition in Wellington Hospital, St John's Wood, London, last night after a brain haemorrhage. His wife, Mrs Sally Oppenheim, Minister of State for Consumer Affairs, was at his bedside.

£48m boost for Welsh industries

By Hugh Noyes

Parliamentary Correspondent Westminster

The first concrete indication of the extent of the urgent rescue operation being prepared by Government departments for those areas hardest hit by the steel redundancies came yesterday in the Commons with the announcement of a £48m aid programme spread over two years to bring new industries and jobs to Wales.

Mr Nicholas Edwards, Secretary of State for Wales, giving details of the programme aimed at cushioning the impact of the steel closures, told MPs that Sir Keith Joseph, Secretary of State for Industry, was urgently considering comparable action for the areas affected in England. It is estimated that more than 50,000 jobs will be lost in the steel industry alone, including about 11,300 in Port Talbot and Llanwern in South Wales. There have been reports that the loss in Wales, including industries

affected by the steel closures, could be as high as 50,000 jobs. But yesterday's aid seemed clear that Mr Edwards has won a considerable victory in the Cabinet battle over expenditure cuts. Whatever other departments may suffer when the public spending reductions are announced next month, it is not likely to be the Welsh Office.

To loud cheers, the Secretary of State told the House that in spite of the overriding need to contain public expenditure he had successfully defended the key motorway and trunk road programmes for the M4 and its extensions, and the Welsh Office's principle. Those would go ahead as planned.

Mr Edwards said the Government would do everything possible to encourage and assist the growth of new industries in those areas. The prime need was for the acquisition, preparation, and development of industrial sites together with

Continued on page 2, col 8

Time limit for people held in police custody among safeguards sought

By Peter Evans

Home Affairs Correspondent

Ways of tightening safeguards for people in police custody were suggested yesterday by Lord Belstead, Under-Secretary of State at the Home Office.

Answering questions from the Select Committee on Home Affairs, about deaths in police custody, he said there were unlikely to be objections from the police about recommendations made by the Brodie committee's report on death certifications and coroners, in 1971.

Those were that the reporting of deaths in custody should be made statutory and that

inquests should be held. But Lord Belstead said that consultation with coroners would also be necessary. The Home Office is understood to be broadly sympathetic to the coroners' views.

Lord Belstead told MPs that the Home Office, in evidence to the Royal Commission on Criminal Procedure, had suggested a limit on the period people could be held in custody before being charged.

For an extension after 24 hours, it is suggested, the police would have to apply to magistrates for an additional 24 hours. There would have to

be a further application for an extension to a final limit of 96 hours.

The Home Office evidence was heard by five members of the Jimmy Kelly Action Committee, which has asked the Clerk of the Commons if it can give evidence about the death of Mr Kelly on Merseyside.

Mr Thomas Banks, committee chairman, told me he had photographs of injuries he said had been sustained by Mr Kelly. When asked about the decision that the Director of Public Prosecutions could not appear before the committee, Mr Banks said it was "another white-wash".

Rescuers search for seven after avalanche

Seven people were trapped last night on Pen-y-ghent, a 2,273ft. peak in north Yorkshire near Horton in Ribblesdale.

Three of the party, which had been involved in an avalanche, were believed to be injured. They were sheltering in a shooting box on the fell side, from a blizzard.

Wolves caught

Six timber wolves which escaped overnight from their compound at Whipsnade Zoo, Bedfordshire, were recaptured yesterday.

Challenge to union over political levy

The Association of Scientific, Technical and Managerial Staffs is being challenged in the High Court over its decision to refuse to allow members to pay their political levy to the Conservative Party. The union is affiliated to the Labour Party. Clive Jenkins, the union's general secretary, in March, 1976, saying it as a condition of affiliation that the affiliate should not at the same time support any rival party.

Power sharing claim

The impasse on power sharing at the Stormont constitutional conference was emphasized when the SDLP came out against the return of majority devolved government. It believes that only if Roman Catholics take part in government at executive level can they safeguard their rights, a concept unacceptable to Unionists.

Racial outbid by GEC for Decca

Attention in the takeover battle for Decca has switched to a possible reference to the Monopolies Commission after Sir Arnold Weinstock's General Electric Company made a formal £82.5m counter-bid for Decca against a £25m offer by Roca. The bid is to be merged with GEC's and Decca's defence electronics interests.

Charter 77 growth

Charter 77, the Czech human rights movement, has issued a new declaration reasserting its role and political aspirations in a European context. The signatories say the movement has grown in spite of repression.

Judge wants inquiry

A call for an inquiry into why the Home Office ignored a probation officer's report recommending the return to jail of a man with a history of sexual attacks on young girls was made by Judge Meurig Evans at Mold Crown Court, Clwyd, after the man abducted two young girls.

Bribes case inquiry by Congress

The ethics committee of the House of Representatives has been examining for some time allegations of misconduct against some of the same members of Congress who are under scrutiny from the Federal Bureau of Investigation for their alleged involvement in a bribery scandal of Watergate proportions.

Tote abuses

Misplaced enthusiasm by some employees of the totalisator caused abuses and malpractices as a result of which dividends payable to punters were falsely reduced, an independent inquiry has found. There were no breaches of the law and no employee of the tote had sought personal gain.

Terror in Argentina

Two men who escaped from detention in Argentina have prepared a report, made public in London, documenting a "reign of terror" carried out by the Buenos Aires authorities. Systematic torture and murder of hundreds of political prisoners are alleged.

Lady Summerskill dies, aged 78

Lady Summerskill has died from a heart attack at her home in Highgate, north London. She was 78. She entered Parliament in 1938 and gave a lifetime of service to the Labour Party. She campaigned for women's rights and against smoking and boxing.

Civil Service warning: Union leaders to tell minister that industrial action would follow a Cabinet limit on pay increases.

School transport charges: Keir proposals provoke strong opposition from families facing weekly bills of up to £14 for bus fares.

Libya: The French Embassy in Tripoli is attacked and wrecked by demonstrators.

Classified advertisements: Appointments, pages 8, 24, 25; Personal, 25, 26; Sale Room, 24.

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HOME NEWS

Misplaced enthusiasm of tote employees is blamed for abuses

By Marcel Berlins

An independent inquiry has found that because of "misplaced enthusiasm" by some employees of the tote industry there were abuses and malpractices as a result of which dividends payable to punters were falsely reduced.

The report of Mr Francis Aglionby, a Crown Court Recorder, exonerates Mr Woodrow Wyatt, the tote industry chairman, members of the Tote Board and senior officials from knowledge of the abuses. There were no breaches of the law, it says.

The tote industry has announced that all backers showing that they had incurred losses because of the malpractices will have them made good, and has published details of 21 races during 1978 and 1979 where winning dividends were falsely depressed.

The inquiry by Mr Aglionby was set up after disclosures in *The Sporting Life* that tote course bets had been placed in a tote pool after the start of a race, and sometimes when the result was known.

In principle, dividends paid by the tote industry are supposed to be based on a calculation of winning bets as a proportion of total bets placed for that race, after administrative expenses are deducted.

Mr Aglionby concluded that in some cases of after-the-race bets, dividends were artificially depressed because only winning bets were placed in the pool, but losing bets were omitted, with the result that there was a greater proportion of winning bets to total bets, and therefore a smaller dividend.

The inquiry also found that six of 995 win dividends (namely the winning horse only) were distorted by malpractice, but the differences were not as marked. The biggest discrepancy being £1.15 declared instead of £1.21, and £1.04 instead of £1.13.

Mr Aglionby's report says that "these various malpractices did not arise out of a desire for personal financial gain" and that no individual employee had benefited financially. "The abuses arose out of misplaced enthusiasm by some employees... who took improper advantage of opportunities presented to them, believing that it was in the interests to depress dividends."

The tote industry would not comment yesterday on what action had been taken against any employees, but it is understood that two have been suspended from duty.

Mr Aglionby points out that after the disclosures of abuses last July the tote industry had altered its procedures so that there can be no transmission of bets to the pool after the start of the race. He concludes that the present system is fair.

The report says that there was an "unacceptably high incidence of clerical errors" in collating bets for the dual forecast pools—naming the first two horses in a race—which led to a rechecking of bets if the winning dividend was exceptionally large.

"Advantage was taken of this recheck by some employees of Tote Credit Ltd to transmit to the pool further bets which bore no relation to the bets received from clients and which were intended to reduce artificially the dividend."

An independent auditors' firm had found that 15 of 697 forecast pools were affected, with dividends reduced by "a very large amount."

Details given by the tote industry show, for instance, that at Salisbury on April 7, 1979, the fourth race should have produced a forecast dividend of £21, but the dividend in fact declared was only £5.77.

At Kempton on June 20, 1979, the first race dividend was declared at £33, whereas it should have been £163. Other discrepancies were £21 instead of £104, and £13 instead of £67.

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BSC to meet unions for fresh peace talks

By Paul Routledge

British Steel executives and leaders of the two unions at the centre of the five-week steel strike are to hold fresh talks tonight.

The discussions come after exploratory contacts yesterday between the corporation and the general secretaries of the Iron and Steel Trades Confederation (ISTC) and the National Union of Blastfurnacemen. They are designed to lay the foundations for substantive wage negotiations later this week.

If the steelworkers' full negotiating team of 60 members is summoned to London for the first time since the strike began on January 2, it will be a token of progress in these "talks about talks". Mr William Sims, general secretary of the ISTC, is known to be keen to get an offer he can put to his negotiators.

But Mr Sims and Mr Hector Smith, leader of the blastfurnacemen, remain committed to the bargaining formula of money on the table before they will open serious negotiations.

The steelworkers said that the resumed action in the private sector was practically solid. A circular to all 800 ISTC branch secretaries revived the strike date was rendered illegal by the Court of Appeal, and then found to be within the law by the Law Lords. Up to 20,000 steelworkers in the private sector were instructed to withdraw their labour and invited to resume picketing to prevent the movement of steel regardless of its origin.

Other unions were asked to reimpose their blacking of British Steel products and supplies. The plea is thought to be a reference to the National Union of Railwaymen.

Soundings taken by officials at the ISTC headquarters suggest that the steel has not yet run out of the steel shutdown, which enters its sixth week tomorrow. Branch secretaries of the union report no difficulties in finding volunteers for picket duties. Mr Harold Feather, strike co-ordinator, said: "Morale is still high."

In the wake of talks between TUC leaders and senior Cabinet ministers four days ago on the "rough time" that might follow a breakdown in negotiations between the unions and BSC over the separate issue of steelwork closures, Mr Len Murray, general secretary of the TUC, met Mr George Wright, secretary of the Wales TUC yesterday.

No details were disclosed, but the TUC General Council is understood to be anxious about the all-out strike being announced yesterday by South Wales from March 10 over the threatened rundown of Llanwern and Port Talbot steelworks.

People are not willing to be deceived. They realize that, with those already in membership with trade unions and their families, they are a majority of Britain's workforce."

The union said that for the first time members' own numbers meant that there had been a large increase in the union's local government members.

Mr Drain added: "It is ridiculous for the Government to pretend that its virulent campaign against the unions is anything but an underhand attempt to return employers to their nineteenth-century position of power."

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Roman Catholics must have share in decision-making at executive level, document says

From Christopher Thomas

Belfast

The Roman Catholic minority in Northern Ireland last night rejected any concept of power devolution to the province unless it had a share in decision-making at the highest level.

The Social Democratic and Labour Party, in a discussion document on local government, said bluntly: "It would be a disastrous policy for any British Government to allow a return of majority devolved government in Northern Ireland under Unionist control."

The paper, while not forming part of the SDLP's formal submissions to the constitutional conference being held at Stormont, sets the tone unequivocally. In essence, the party says that devolved government at

the lowest level, which would still involve substantial powers, would be exercised in a sectarian and discriminatory manner.

And it believes "the same disregard for the rights of the minority in housing, jobs and recreation would apply at government level."

Power could not be returned in the foreseeable future. "The activities of many councillors are so bigoted and one-sided that even the very limited powers which councils have at the moment are used in a discriminatory manner."

For the sake of the community in Northern Ireland, all pressures to return functions to local government had to be resisted until there was evidence that such important functions would

not be abused in the same way as the present minor functions were misused.

In other words, the party is rejecting a return of powers from Westminster to Northern Ireland under majority devolved government. It believes that only the participation of the minority at executive level can safeguard its rights.

That concept clearly is totally unacceptable to the various Unionist parties, and reinforces the gravity of the impasse on power-sharing at the constitutional conference, which yesterday completed its tenth session. It concluded its study of the Alliance Party's ideas on devolved administration and is now looking at the SDLP's submissions.

The SDLP accused the

Unionist parties of setting their faces firmly against any form of partnership in the 26 local district councils. In many instances they had denied the representation of the minority in even the most trivial of council committees.

Partnership and power-sharing had, however, flourished in a number of district councils, notably Derry, Down, and Newry and Mourne.

But councils such as Armagh, Ballymena, Banbridge, Coleraine, Cookstown, Craigavon, Larne and Limavady had maintained the sectarian attitudes and practices of the former local authorities in spite of the innocuous nature of their present powers and functions.

The document said: "Generally speaking, in these

loyalist-dominated councils the various elected positions and representation on committees, delegations and statutory bodies are excluded from representatives of the minority.

"They also execute their functions in a biased manner such as seeking to influence staff appointments, discrimination in the allocation of council funds, the restriction of facilities, and formation of politically divisive resolutions."

"It is from these same councils that the main impetus for the return of former local authority powers also comes."

All the indications are that, given the return of major functions, such councils as these would revert to their former discriminatory ways."



Mr Derek Norton, chairman of the privately owned steel firm of Hadfields, Sheffield, with pickets outside the plant after the firm's directors decided to withhold tax payments.

Metal Box feels effect of strike

By Edward Townsend

The steel strike yesterday began to affect output at Metal Box, an important supplier of cans for the food and beverage market, but food manufacturers said there was no immediate threat of a shortage.

In an effort to prevent panic buying, the Food Manufacturers' Federation emphasized that there were sufficient stocks of tins to fill retailers' shelves for at least a month.

Seasonal scarcities of fresh food boost demand for canned products at this time of year but manufacturers' carry-increased stocks of tins. The Federation said its estimate of a month's stock was exclusive of supplies held by wholesalers and retailers and that "there is no question of a shortage in the near future."

There is also no immediate likelihood of a shortage of beer cans, the Brewers' Society said. Less than 10 per cent of beer consumed in Britain is in cans and producers have about two months' stock of tins. "We also have the advantage of being able to put our product in glass containers."

Metal Box, which employs 34,000 workers in the United Kingdom, said it was laying off 2,500 people at five plants in its open division, but workers were being given the option of taking up to a week's paid holiday.

The company said that up to two weeks ago it was supplying customers with 20 to 30 per cent more tins than demand forecast. It was now able to meet only 70 per cent of demand for food cans.

Metal Box buys 90 per cent of its tinplate from the British Steel Corporation. The rest is imported.

"So far we have not got to the stage of closing whole factories, but can lines are being closed down because there is not enough work, and there is every possibility that things will get worse as the days go by," Metal Box added.

Extension of the steel strike to the independent steel makers poses a greater threat to output in the car and engineering factories, many of which were relying on supplies from private steelworks to maintain production and avoid layoffs.

Sir John Methven, director general of the Confederation of British Industry, said there was no question but that the country could "grind to a halt" within the next three or four weeks.

Unions fear £48m is not enough

From Tim Jones

Cardiff

The Wales Trade Union Congress said yesterday it doubted whether the £48m the Government is to give to the Welsh Development Agency to promote jobs in areas affected by the steel cuts in South Wales will be enough.

More than 10,000 men are to be made redundant under the British Steel Corporation's plans for reducing capacity at Llanwern and Port Talbot, and the TUC claims that that could lead to a loss of 50,000 jobs.

A spokesman for the TUC said: "Obviously any money is welcome, but this sum is put into perspective when set against an industry report published last year which shows that an expenditure of £222m on 152 projects produced 8,790 jobs. On that basis £48m will produce only 20 per cent of that total."

The Welsh Development Agency will have to improve on its track record of attracting industry if this money is to be well spent."

Mr Michael Rush, chief executive of the West Glamorgan County Council, which includes Port Talbot, welcomed the news, but said he wanted details of the money was to be distributed.

He hoped a large part would go towards attracting industry to the council's development site described as "a major show of strength to try to stop all steel movements in the area."

Arthur Osman writes from Birmingham: As an increased number of pickets from the private sector tightened their grip on more than 70 stock-holding and private manufacturing and re-rolling sites in the West Midlands yesterday, a suggestion that 3,000 workers in the Round Oak specialist steel-producing works near Brierley Hill would not strike was discounted by the ISTC.

The Yals pointed out that they are better paid than anywhere else in the steel industry. Some production workers can apparently earn up to £10,000 a year and they have a profit-sharing scheme worth an average of £100 a quarter.

R. W. Shakespeare writes from Shrewsbury: More than 200 flying pickets from the bottom of the works, on Deeside, were involved in a joint operation with men from Liverpool and Manchester yesterday in what was separated from its organization and influence.

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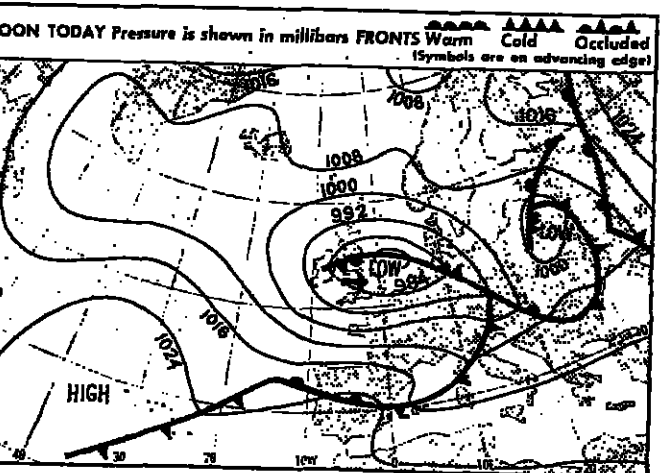
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Weather forecast and recordings



Today
Sun rises: 7.34 am Sun sets: 4.56 pm
Moon sets: 9.24 am Moon rises: 9.39 pm
Last quarter: February 9
Lighting up: 5.26 pm to 7.02 am
High Water: London Bridge 4.14 am, 7.0m; 4.37 pm, 7.0m; Avonmouth 9.37 am, 12.7m; 9.57 pm, 12.5m; Dover 1.17 am, 6.5m; 1.27 pm, 6.1m; Hull 8.40 am, 8.8m; 8.37 pm, 7.0m; Liverpool 1.33 am, 8.6m; 1.41 pm, 8.8m.
1 ft = 0.3048m 1 m = 3.2808ft

A deep and vigorous depression will move steadily E across N. England.
Forecasts for 6 am to midnight:
London, East Anglia, Midlands, S. Wales: Blustery showers, some prolonged with local thunder; rather cloudy, a few bright or sunny intervals in places; wind: strong gale; max temp 7° to 8°C (45° to 46°F).
SE, central S and SW England, Channel Islands: Blustery showers, some prolonged with local thunder; rather cloudy, a few bright or sunny intervals in places; wind: strong gale; max temp 7° to 8°C (45° to 46°F).
NE, north of London, S. Wales, S. Wales: Blustery showers, some prolonged with local thunder; rather cloudy, a few bright or sunny intervals in places; wind: strong gale; max temp 7° to 8°C (45° to 46°F).
N. Ireland: Occasional rain turning to sleet or snow, mostly.

WEATHER REPORTS YESTERDAY MIDDAY c, cloud; d, drizzle; f, fair; r, rain; s, sun; sl, sleet; sn, snow.
N. Wales, central N, NW England, N. Wales: Fair, with occasional rain or showers, sleet or snow in evening, especially on hills, rather dry; wind W, fresh, veering NW; max temp 5° to 7°C (41° to 43°F).
Lake District, NE England, Borders, SW Scotland: Occasional sleet or snow, some heavy on hills, dull, hill fog; wind variable, becoming N, fresh to strong, per hills; max temp 2° to 3°C (36° to 37°F).
Moray Firth, NE, NW Scotland: Occasional sleet or snow, some heavy on hills, dull, hill fog; wind variable, becoming N, fresh to strong, per hills; max temp 2° to 3°C (36° to 37°F).
Orkney, Shetland: Bright intervals and wintry showers; wind NE, fresh to strong, per hills; max temp 1° to 2°C (34° to 36°F).
N. Ireland: Occasional rain turning to sleet or snow, mostly.

Outlook for tomorrow and Thursday becoming colder and brighter with wintry showers, especially in E, with widespread frost; less cold in W, less with cold rain.
Yesterday
London: Temp: max 6 am to 6 pm, 8°C (46°F); min 6 pm to 6 am, 3°C (37°F). Humidity, 6 pm, 92 per cent. Rain, 24hr to 6 pm, 0.1 in. Wind: 24hr to 6 pm, nil. Bar: mean sea level, 6 pm, 997.7 millibars, falling.
1,000 millibars = 29.53 in.

Overseas selling prices
Australia \$1.00; Austria Sch 30; Bahrain 20 0/100; Belgium Fr 50; Canada Can 80; Cyprus 350; Denmark Dan 4.75; Germany DM 3.50; Greece Gr 40; Holland Gld 3.50; Italy Lit 200; Japan Yen 100; Korea Won 100; Lebanon L.L. 1,000; Luxembourg Lux 25; Madeira 100; Norway Kr 5.00; Oman Omani 100; Portugal Esc 200; Saudi Arabia SR 100; Singapore S\$ 1.00; Spain Ptas 166.67; Sweden Swk 4.75; Switzerland Fr 50; Taiwan T\$ 100; Thailand Baht 50; United Kingdom £ 1.00; USA US\$ 1.00; Yugoslavia YUD 100.

Published daily except Sundays, January 1, Easter Day and Christmas Day. All figures are approximate and subject to change without notice. All quotations are in sterling unless otherwise stated. All quotations are in sterling unless otherwise stated.

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Notable prices...

are paid at auction for the letters and manuscripts of musicians and composers.

A sale of fine letters of Berlioz, Wagner, Dvorak, Liszt, Weber, Bruckner, Strauss, Verdi, Mendelssohn, Tchaikovsky and others will be held on 28th and 29th April, 1980.

If you have a Musical manuscript or letter which you would like to include in the sale please telephone or write to Roy Davids.

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Question on Algardi bust tabled by Mr Abse

By Geraldine Norman

The Algardi bust of Mr Cerri has found a new champion in Mr Leo Abse, Labour MP for Pontypool.

Mr Abse has always been a strong advocate of auction bidding legislation to rid his South Wales constituency and the West of England in general of the scourge of auction rings.

Yesterday he tabled a parliamentary question to clarify the legal position in the light of Agnew's statement at the end of last week claiming that his three-way partnership with bidding for the Algardi bust

was legal. He asked the Minister for the Arts: "What consultations he has had with the Reviewing Committee on the Export of Works of Art relating to the Algardi bust and whether the export of art treasures from Britain is facilitated by the present operation of the Auctions (Bidding Agreements) Act, 1927?"

The bust was bought for £165,000 (including premium) at Christie's auction at North Myms in September by Agnew's, Armetis and Eugene Thaw acting in partnership.

Under the working party's proposals, the Advertising Standards Authority would continue to act as a self-regulatory body involving all sections of the advertising industry in policing standards.

The report's supporters argue that its proposed combination of a self-regulatory system backed by legal powers is a faster and more efficient method of control than the all-embracing judicial system proposed by the Commission.

The Commission's proposals have been criticized by the British advertising industry and the House of Lords Select

New advertising control law urged

By Our Business News Staff

An official working party report to be published next week will urge the Government to create statutory controls to prevent the publication of misleading advertisements.

If the recommendations are accepted, the resulting legislation would give the Office of Fair Trading power to apply for injunctions to stop advertisements that seek to deceive the public.

The report does not support the stance of the EEC Commission, which in a draft directive has called for complete statutory controls on advertising.

The working party's proposals, the Advertising Standards Authority would continue to act as a self-regulatory body involving all sections of the advertising industry in policing standards.

The report's supporters argue that its proposed combination of a self-regulatory system backed by legal powers is a faster and more efficient method of control than the all-embracing judicial system proposed by the Commission.

The Commission's proposals have been criticized by the British advertising industry and the House of Lords Select

Committee on the European Communities, which called for the maintenance of a self-regulatory system.

The working party was set up after Mr Roy Matherley, the former Secretary of State for Prices and Consumer Protection, called for the introduction of a

مكاتب السفر

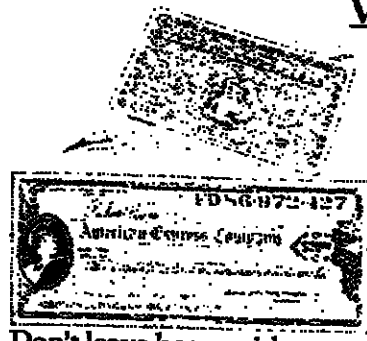
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Right up your street.



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Tel. (0225) 25474.

Bedford, Beds.
Harry Leeks Travel Ltd. (R)
6 St. Lyes Street, MK40 1EY.
Tel. (0234) 68377.

Belfast, N. Ireland.
Hamilton Travel (R)
23/31 Waring Street.
Tel. (0232) 30321.

Billerica, Essex.
C.G.S. Travel Ltd. (R)
112/114 High Street, CM11 9AJ.
Tel. (0274) 58111.

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Tel. (021) 233-2141.

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Edgbaston, B15 2TT.
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Galway, Ireland.
John Ryan Travel Ltd. (R)
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Powell Duffryn Travel (R)
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Northampton, Northants.
Jocks Travel (R)
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Burton-on-Trent, Staff.
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(R) Representative office.

HOME NEWS

Union challenged over refusal to allow its members to pay levy to Conservative Party

By Frances Gibb

The Association of Scientific, Technical and Managerial Staffs, with a membership of 450,000, was challenged in the High Court yesterday over its refusal to allow members to pay their political levy to the Conservative Party on the grounds that the union is affiliated to the Labour Party.

Mr Ernest Parkin, a senior technologist at Kodak Ltd, Harrow, and an ASTMS member, is suing the union before Mr Justice Woolf for a declaration that members of his branch are entitled to give their political levies to the Conservative Party. He is also suing for an order that the levy be handed over to the branch.

Mr Hugo Page, for Mr Parkin, said that under the union's rules any branch was entitled to a return of one third of the total of its political levy, which was paid into the political fund at the union's head office.

ASTMS officials had refused to pay over the sum, a nominal £10 in the case of the Harrow branch, because the members wished to give it to the Conservative Party to encourage the aims and policies of Conservative trade unionists.

In answer to the branch, the ASTMS officials had sent a copy of a circular dated March, 1976, and signed by Mr Clive Jenkins, the union's general secretary. It said:

"Some queries have arisen recently as to whether political fund money may be spent in support of parties other than the Labour Party. The answer is that it may not."

The union's annual conference had decided some time before to affiliate to the Labour Party and it was a condition of affiliation that the union must not at the same time support any rival electoral party.

"Thus, although the rules do not themselves limit political

fund expenditure to the Labour Party, the declaration of the annual delegate conference to affiliate to the Labour Party does."

Mr Page argued that there was nothing, however, in the Labour Party constitution that made that a condition of affiliation. The case raised the principle, he said, of the extent to which union branches were autonomous and entitled to make their own decisions.

He continued: "I do not say a union branch is wholly autonomous, or that it can deal with its own funds or members as it wishes, with no regard to the union. But I would not say it can act only on the direction of the national executive and that all its acts are subject to the executive's approval."

Mr Robert Turner, for the union, said that the annual conference was the policy-making body of the union. The union's rules were the lifeless skeleton of the union's body. The NEC must have regard to the decisions of the annual conference when carrying out its duties.

If the annual conference recommended that the union affiliate to a party, and that proposal was endorsed by the executive, then the union had to incorporate all the obligations of that affiliation and become subject to the rules of that body, he said.

"You cannot have a situation where the same organization is supporting two diametrically opposed political beliefs," Mr Turner said.

Mr Justice Woolf questioned the authority of the view that in joining another body, the rules of a union became subject to more restrictive interpretation.

He said: "You join another body which happens to be restricted to promoting the

interest of one political party, and therefore your political funds can be used only for promoting the political objects of that body. What authority is there for that?"

Mr Turner said he could not quote an authority but would research the question. He argued further that when Astms members chose to pay the political levy (£1.20 a year), which was optional, then they knew full well on what the money would be spent.

The judge said the case rested on whether Mr Jenkins was right in his circular. "There is clearly a question of principle as to whether or not the fact that the annual conference decides to become affiliated, and then does so, restricts the use of branch political funds to support other parties."

The case could lead to large sums of money at present in the Astms political fund being demanded by Conservative branches for financing their party.

Mr Parkin said it had arisen because he had decided to stand up and be counted. His standard of living at the time was being eroded by the policies of the last government.

Rather than opting out of paying the levy, as most of the 200 members of his branch had done, he decided to pay it to bring about change from the inside.

At a meeting held in 1978 of 10 of the 16 levy-paying members, a resolution was passed by six to four asking the union executive to refund the one-third of the levy to which they were entitled so that the money could go to the Conservative Party to "promote better understanding of the policies and aims of Conservative trade unionists".

The hearing continues today.



Poison check: Firemen in protective gear yesterday examining a canister marked with skull and crossbones after it was washed ashore on the Isle of Wight. Twenty canisters of arsenic

trichloride, which gives off poison fumes if exposed, have been washed up from the Greek cargo ship Aeolian Sky, which sank in the Channel off Portland in November. Leaders of the tourist

trade in the island are worried that chemicals from the ship will be floating ashore at the start of the holiday season. Mr Ewen Brencley, tourism director, called for salvaging to start.

Call to scrap loophole to teaching jobs

By Our Education Correspondent

The number of mathematics and science graduates who go straight into teaching through the so-called "Thatcher loophole", exempting them from formal training qualifications, has dropped by two thirds over the past five years.

The special route was opened by Mrs Margaret Thatcher in 1973, when she was Secretary of State for Education, to induce more badly needed mathematics and science specialists to go into schools.

In 1975, 342 graduates, including 151 mathematicians and 79 physicists, went into teaching in that way. By last September the number had fallen to 118, including only 55 mathematicians and 25 physicists.

Professor Edward Wragg, head of department of education at Exeter University, called yesterday for the abolition of the scheme. Studies had shown that those untrained teachers were the most likely to drop out of the profession, and the least likely to make competent teachers, he said.

Ministry drive to stop car tax evasion

By Peter Waymark

that evasion of car tax is running at between 7 and 9 per cent, with an annual loss of revenue of £50m-£60m. The inquiry will look at the method of vehicle licensing and its enforcement to see where improvements can be made.

An attack on evasion was a likely consequence of the Government's decision not to proceed with the Labour Government's plan to abolish the tax and raise the money instead through extra duty on petrol.

Parents who earn £98 between them face £24 bill for their five children's fares and midday meals

By Diana Geddes

Education Correspondent

A mother of five children who may soon have to pay £14 a week for school bus fares will be among hundreds of parents and children planning to demonstrate today in protest against school transport charges proposed by Kent County Council.

At present transport is free for children who live farther from school than the statutory limit of two miles for those under eight and three miles for those aged eight and over.

The Government's Education Bill, which last night completed its committee stage, would give local authorities the power to charge what they wish for school transport, except that children in families in receipt of Supplementary Benefit or Family Income Supplement would be allowed to travel free.

Kent's proposal of a flat-rate charge of £3.50 a week for secondary school pupils and £2.50 for primary pupils—£133 and £95 respectively a year—is more than double what most other authorities plan to charge. The proposal is subject to ratification by the full council at its meeting on February 21.

Children attending Cranbrook, Kent, will walk up to 10 miles to the school from their homes in outlying villages instead of taking the normal school bus. Their parents will accompany them. Local farmers plan to lead some of the

marshers with flocks of sheep. Mrs Edith Collins, who lives at Frittenden, five miles from Cranbrook, will have four of her five children at secondary schools at Cranbrook next September. That could mean £14 a week or £532 a year for transport, plus another £10 a week for school meals (Kent plans to put up the cost of a school meal to 50p in September), all to come out of a weekly take-home pay of £98.

Mrs Collins's husband works at a plastics factory, and fares there cost him about £16 a week. Mrs Collins works 21 hours a week as the caretaker at the village school, but there is talk of cutting her working time as part of the savings to be made in the education budget.

The Collins have mortgage payments of nearly £20 a week and the food bill usually comes to another £50. "I am normally a Tory vote," Mrs Collins said yesterday, "but I do not think I shall vote for them again. You do not know who you can trust any more. It really all makes you feel a bit desperate."

"We very much want to do the best for our children, one is musically gifted, but what can we do?" Mrs Collins said. "I am a Roman Catholic, the Roman Catholic Church's representative on the Kent education committee, said that the proposed charges would have a devastating effect on the Roman Catholic secondary schools, some of which had

more than 80 per cent of their pupils now travelling free to school.

"Some schools, like St Angel's comprehensive school, in Canterbury, could be facing slow and lingering deaths."

Kent's four Conservative MPs, concerned about the anger created by the proposals, met in the House of Commons on Thursday to discuss the proposals with Conservative leaders of the county council.

Mr John Wells, MP for Maidstone, said yesterday that he was appalled by the high charges proposed. Kent had been "incredibly foolish and reckless in jumping the gun" before the relevant clause in the Education Bill had even reached the committee stage.

Mr John Barnes, chairman of Kent education committee, has agreed to see a deputation of parents from Angley School tomorrow. He is believed to be considering charging school transport for only two children in each family; the others would travel free.

The present proposals would save an estimated £2m a year. It is also proposed that parents taking their children to school by car should receive a substantial allowance, the amount depending on the distance travelled, the length of the term and the age of the child.

Parents living four miles from the school, for example, would be eligible next term for a grant of £23.10 for a secondary school pupil and £10.30 for a primary school pupil.

The team who listen for silent letters

By Kenneth Gosling

It is absolutely official the way to pronounce the Irish name Minister's name is "Minister". The BBC has learned from painful experience.

Earlier they had decided there were two ways to say it and settled for "Minister" the "ch" being soft as in "loch". Complaints arrived and the BBC's Pronunciation Unit wrote to its office. What was it, they asked, and the answer was "neither".

That kind of situation is fairly commonplace for the unit which has two small offices at a staff of four (at present three) in Broadcasting House including Mr Graham Paine, the pronunciation adviser, who became its head last year. It is the first professional linguist to run the unit for more than 50 years.

The corporation is extremely conscious of its duty to maintain a high standard of English which is why it is incumbent on announcers and newscasters to abide by the unit's rulings. could prove embarrassing they do not. Kebab is a recent pronunciation stirred considerable feeling, a few listeners even making abusive telephone calls to the unit.

There are cases where, if name is read wrong, it means is not only different but can be insulting.

Take "Qotbadeh", the name of Iran's Foreign Minister, which is pronounced with "th" in the middle. The unit decided that a name would be more comfortable to say "god-badeh", but then discovered that the hyphen meant after the "b", others it meant something rude.

Mr Paine diplomatically refrains from naming his favourite broadcaster; he thinks stars are extremely high a observes that it would be wrong and unfair to apply the yardstick to the Jimmy Young Show as you would on, say, Radio 4.

"The announcers are under terrible pressure sometimes we can get a query on a name only two minutes before a bulletin goes out."

The way the use of language shines is under a microscope by the unit. Increased travel, people have more aware of foreign place names. The unit telephone many travel agents to find how they pronounce the names of some resorts. It also gives what the speaker says in the BBC's World Service have to say.

The unit always tries establish with an individual (like the Polish footballer played for Wales) how he pronounces his name. That one was named "Krzysztof". If names are hard, Mr Paine says, 3,000 million of them in the world, any of which an airman could fly over.

There have been many difficulties, though. A piece music was written and named "The Clarinetist". The name was "Houkani".

As the unit gets all Radio 3 scripts to pore over they queried the name. Was by any chance, a Sanskrit name? It was the name of a Hindu deity. Then it first went through her department everyone there said "Who he be?" and most of it was

Minister warns council over big rates rise

From Our Correspondent

Mr George Younger, Secretary of State for Scotland, indicated yesterday that he would act against a Labour-controlled Lothian Regional Council if, as has been forecast, it raises rates by about half.

After talks in Edinburgh with Mr John Crichton, regional convenor, councillors and senior officials, Mr Younger said he had been "disturbed by the council's reported plans. I told the deputation that in my view a rates increase of anything like this sort of figure is simply not on."

Mr Younger said he hoped the region would reconsider. He had told the deputation of the powers he possessed to make some savings for ratepayers, Mr Younger said he hoped he would not have to use them but that he would do so if big increases emerged.

Mr Crichton said later that a final decision had not been made. The final figure would not be known until next week. Our Grimsby Correspondent writes: Ratepayers in Cleethorpes, Humberside, face an increase of 25 per cent. The rate will probably be 19.76p in the pound.

Our Nottingham Correspondent writes: Nottinghamshire County Council said yesterday that the new rate would be 9p up at 84p, an increase of just over 12 per cent.

Three transplants at unit with cash difficulties

Three kidney transplant operations were carried out last weekend in the kidney unit at Dulwich Hospital, London.

The unit had been told to suspend operations until April because of lack of funds, but the British Kidney Patients' Association then provided substantial cash aid.

One patient given a kidney was an emergency case and the others would not have survived until April, Mr Michael Bewick, consultant transplant surgeon for Kent, Surrey and Sussex, said. All three were doing well.

"On Friday we had 16 patients waiting for transplants, 12 of whom would not have seen April 1" he added.

The kidney association is

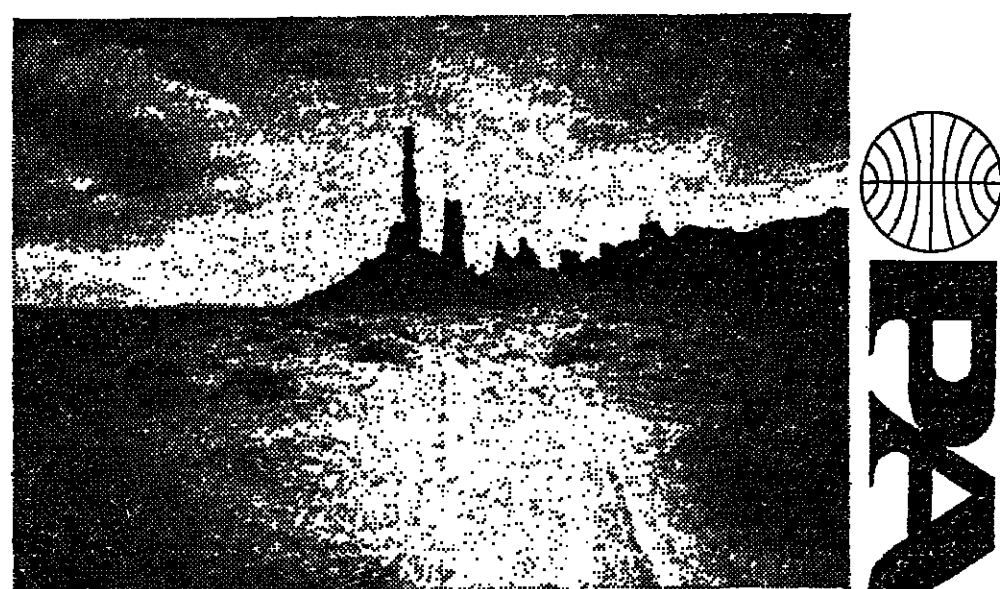
willing to provide £5,000 a transplant and the hospital is to be allowed to carry out 16 transplants before the end of the year.

Mr Bewick said that the patients waiting for operations were being treated temporarily at a cost of £1,200 a day for the 16.

There are 1,700 people in this country waiting for a kidney, and if we keep getting people coming in at the same rate we shall be in real trouble by April.

The commissioners appointed by the Government to run Lambeth, Southwark and Lewisham Area Health Authority had told the Dulwich unit at Christmas to suspend transplants because it had spent twice its £200,000 budget.

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Four years for raider who checked others

A sixth person was convicted and sentenced at the Central Criminal Court yesterday for his part in a raid on an American oil executive and his family.

During the raid, 11 months ago, Mr William Kuhn, aged 33, was said to have been beaten and kicked and had a gag forced down his throat with a stick, and his wife, aged 36, and daughter Kim, aged 14, were threatened with rape.

Joseph McCormack, aged 25, a carpenter, who was said to have stopped his accomplices from even further violence, was jailed by Judge Buzard for four years.

Mr McCormack, of Campana Road, Fulham, London, was found guilty of robbing both Mr and Mrs Kuhn at their Chelsea flat. A charge of causing grievous bodily harm was left on the file.

Hats off to the Army's experiment to find if high life peaks the brain

By Ronald Faux

A climber was ordered by a fastidious band of robbers to remove his hat in the lounge of a highland hotel because hats were not allowed to be worn in his lounge. The man did so, uncovering a head bristling with electrodes.

"My dear chap," the landlord said, "I'm most terribly sorry. Put your hat back on, sit down and have a drink."

The next day a second climber entered. Lat in hand, head similarly covered with a tangle of wires and terminals. Several very fronds were wound over his ears and tucked down the front of his shirt.

"Stand easy," the climber said to the startled landlord, "we're British Army brain research."

They were from the Army

Petition urges continuation of meals subsidy

By a Staff Reporter

A petition with 162,000 signatures, urging the Government to drop clauses in its Education Bill that remove from local authorities the duty to provide subsidised school meals and transport, was handed in at Downing Street yesterday.

One of those presenting it, Mr Peter Richards, an agricultural worker from Stapleford Tawney, near Romford, Essex, said he would take his five sons, aged five to 14, away from school in April if Essex County Council went ahead with plans to increase school meal prices from 15p to 50p a day and charge 50p a day for transport.

"That will cost me £25 a week," Mr Richards said. "I take home £77 for a 54-hour week and I just cannot afford it." He was prepared to go to prison, he said, should the court order him to send his children to school.

Coconut slide

The A52, near Ashbourne, Derbyshire, remained closed yesterday nearly three days after thousands of gallons of coconut oil spilled on the road.

Hostesses at club 'ladies' not trollops

Hostesses at Churchills Club

in London, were ladies and not trollops, a man who said he had been a customer at the club for many years said at Knightsbridge Crown Court yesterday. Mr John Monks, of Hampstead, London, owner of an import and export fashion business, said he had been going to Churchills Club since the end of the war and none of the hostesses there had ever propositioned him or any of his companions in the bar of his hotel.

Mr Monks, aged 67, was giving evidence for the defence in the trial of Harry Meadows, aged 33, and his son, Andrew, aged 38, directors of Churchills and the 21 Club, both in May, for allegedly living off the immoral earnings of prostitutes between 1975 and 1977.

Mr Brian O'Hanlon, a freelance journalist, said Churchills was among the very best of clubs, if not the best. He was asked by Mr Richard Du Cann, for the defence, if he would recommend Churchills to a man seeking a prostitute.

O'Hanlon replied: "I would not think of Churchills in that connexion at all."

The trial continues today.

Independent schools offer 10,000 places for scheme

By Our Education Correspondent

A total of 371 independent schools have so far provisionally offered just over 10,000 places for pupils participating in the Government's assisted places scheme. Places for boys and girls were roughly evenly balanced, but there are wide regional variations, Mr Rhodes Boyson, Under-Secretary for Education, said yesterday.

Mr Boyson said, in a Commons written answer to Mr Nigel Spearing, Labour MP for Newham, South, that up to yesterday schools had offered 4,355 places a year for boys, 4,087 places for girls, and 1,748 places at mixed schools.

In the East Midlands, 15 schools have offered 233 places; in Wales 15 schools have offered 440 places; and in East Anglia, 18 schools have offered 351 places. That compares with 136 schools in the South-east, which have offered 3,811 places, and 50 schools in the North-west, which have offered 2,149 places.

Figures for other regions are as follows: Northern, 19 schools, 408 places; Yorkshire

and Humberside, 27 schools, 512 places; West Midlands, 37 schools, 577 places; South-west, 57 schools, 1,134 places.

The Government sent letters to more than 1,000 independent schools on December 6 asking them to indicate whether they would be interested in participating in the scheme and to say how many places they would offer a year. The schools were asked to reply by January 31, although Mr Boyson expects that not all will come in.

As originally proposed, the Government's scheme was to have started in September 1981, with 10,000 to 15,000 pupils. However, the Government has decided to halve it to 5,000 places, which was made available in the first year. It also offers places to some 5,000 pupils.

Mr Boyson said it was early to say how many of the schools which have offered places would meet the Government's requirements. It is also expected that some of those offering places in private will drop out when they learn the details of the scheme.

Charred bodies found on cliff

Two charred bodies were found yesterday in a burnt-out car at the top of a remote 250ft cliff near Portreath, in North Cornwall.

A scientific examination of the Renault 16 car and the bodies was made. Devon and Cornwall police said: "We don't know how long the bodies have been there."

Pilot hurt in landing crash

A pilot suffered only cuts and bruises yesterday when the £250,000 aircraft he was flying at Leeds and Bradford airport during a blizzard slipped off the runway.

It ploughed through a feet ripping off a wing, and came to rest on the Harrogate to Bradford road.

AA man's life sentence cut

David Robert Owen, aged 25, an Automobile Association

patrolman, who was jailed for life for the rape and robbery of a girl driver whose car had broken down, had his sentence varied to seven years imprisonment by the Court of Appeal yesterday.

Mr Owen, of River Avenue, Hoddeston, Hertfordshire, was jailed at St Albans Crown Court on May 9 last after a jury rejected his claim that the

victim, aged 20, consented. Mr Justice Kenneth Jones, sitting with Lord Justice Wilford and Mr Justice Melford, today said that the evidence was clear that Mr Owen had a strong sex drive, but not the danger to women for a long time. The indecent assault sentence was inappropriate. Owen's concurrent life sentence for robbery was reduced to three years.

HOME NEWS

Home Office
'ignored
report on
attacker'

A man described as a public menace, with a history of sexual attacks against young girls, sprung again after being released on licence from a life prison sentence, it was stated at Mold Crown Court, Clwyd, yesterday.

Judge Meurig Evans called for an investigation into why the Home Office ignored a probation officer's report that John Victor Subrenski should be returned to jail, four months before he abducted two young girls.

Judge Evans said he echoed the probation officer's thoughts that Mr Subrenski, aged 64, father of five children, should not be released "as long as his health and strength lasts".

The court was told that the two girls, aged seven and eight, were saved from possible permanent harm by a young couple, who followed Mr Subrenski's car and informed the police.

Mr Subrenski, unemployed, of Douglas Grove, Darwen, Lancashire, was jailed for four years after admitting two charges of abduction. The prosecution admitted his pleas of not guilty to two more charges, which were alternatives of child stealing.

Mr Subrenski, who was born in New York, asked for a further offence of common assault on January 16 last year to be considered.

Mr David Hale, for the prosecution, said: "The defendant has a serious and long history of offences against young girls. He was sentenced to life imprisonment in 1957 for an offence of carnal knowledge on a girl of nine. He was released on licence from the life sentence in April, 1977."

Both these offences being heard today took place on September 4 last year. On September 7, in consequence, the Home Office revoked his licence and the defendant is now in prison again serving a life sentence.

Mr Elgan Edwards, for the defence, said his recommendations by Mr Ellis Chapman, a Lancashire County Council probation officer, that the accused should be returned to prison had been ignored. He added: "The Home Office must bear a very substantial responsibility in allowing this man the opportunity to commit offences of this nature."

Mr and Mrs Richard Stevens, of Prince Edward Avenue, Rhyl, who followed Mr Subrenski after he had got one girl into his car, were praised by Judge Evans and awarded £50 each out of public funds.

A Staff Reporter writes: Neither the Home Office nor a Parole Board panel had considered Mr Subrenski's recall justified, but his licence was revoked as soon as his conduct gave cause for concern, the Home Office said last night.

Whitehall brief: Sir Leo Pliatzky, trenchant 'rhino' of the Treasury

Counter-puncher quits the subfusc ring

By Peter Hennessy
When Sir Leo Pliatzky left the Treasury in 1977 to become Permanent Secretary at the Department of Trade, his friends, Sir Lawrence Airey, bought a poster of a rhinoceros as a farewell card. All the top economic policy makers signed it from Mr Denis Healey down. At the bottom, in bold type, there was an inscription that read: "I may have my faults, but being wrong is not one of them."

It now hangs in his Thames-side flat in Southwark, to which he had moved with 50,000 letters of protest.

In 1950 Sir Leo joined the Treasury and began to develop his distinctive style, which he describes as "counter-punching", reacting to the ideas and drafts of others. His worst year as an official was 1976, when sterling collapsed. At the end of 1975 he had been promoted to the second permanent secretaryship in charge of public spending, which was out of control. It took a great deal of "counter-punching" for Sir Leo to set it right.

Ministers and Sir Leo had stopped the rot by the time the International Monetary Fund arrived in London in the autumn. He is cautiously revealing about that *annus horribilis*.

The IMF were requiring further cuts. It is common knowledge that the Labour Cabinet was deeply divided. It was quite vital that we should get a set of measures that would enable us to get the IMF loan, the key to getting other and bigger credits. It was crucial that the package should be acceptable to the Cabinet. The tension was between the two things as the Treasury had to bring them together. If the government had fallen under

and socially, certainly for the better in most respects.

Great things for Sir Leo had to wait for a few years. In 1948, his second year as a civil servant, he learnt a sharp lesson in political reality.

As head of branch in the animal feedstuffs division of the Ministry of Food, it fell to Sir Leo to supervise the development of "national pigeon food".

Outraged pigeon fanciers, mainly from the north, where he had grown up, swamped Sir Leo's branch with 50,000 letters of protest.

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Sir Leo Pliatzky: More than salty in full cry.

foreign pressure, it would have been terrible for the country to undergo a repetition of 1931.

As a former permanent secretary at the Department of Trade, he is equally candid about the "New Cambridge" school of economists, associated with Mr Wynne Godley, who urge import controls as an indispensable part of any solution to the country's economic woes. The argument should not be about free trade or protection, but about whether you maintain trade within agreed international rules which do allow for a degree of protection. Import penetration is not the cause

of our industrial weakness. It is a symptom. Import controls, to a greater or lesser degree, may be an inevitable reaction to industrial weakness, but they are not a cure. If Wynne Godley thinks he has found a formula for getting away with total protection inside the international rules, he has deceived himself and I hope he does not deceive too many other people.

Sir Leo in retirement will take one public sector and one private sector job, neither of which he can yet divulge, and a visiting professorship at the City University, where he will write a book on public expenditure.

Islands on the watch for tankers
carrying potential disaster

Regional report

Ronald Faux
Sullom Voe, Shetland

Misbehaviour by oil tanker crews is the concern of Mr Alistair Grubb, the pollution control and safety officer for Shetland. The islands are a convenient point to bring ashore pipelines from the oilfields lying to the east, but a less suitable place to manoeuvre large oil tankers each loaded with a potential disaster.

Storm-force winds blow more regularly around Shetland and the seas are notorious for their anger, strong tides and dangerous overfalls. With a peak flow of 1,000 tankers and some 60 million tonnes of oil moving each year from the terminal at Sullom Voe, the possibility of an environmental disaster may seem a question of when, rather than whether.

Fears were confirmed with almost the first ship to moor at the jetty. "First oil ashore in Shetland", a *Shetland Times* headline said in irony rather than pride. The *Esso Bernicia* punctured a fuel tank as she moved against the jetty and 1,000 tonnes of heavy fuel oil leaked into Sullom Voe. Everyone knew in theory the damage such a spill could inflict, but the reality was more terrible.

The gluey slime infested the shoreline, killing at least 4,000 birds, including great northern divers, rooper swans, black guillemots and shag. More than 20 otters, who lived in the protection of the buffer rubble beside the jetty, choked to death. The clean-up cost £3,500,000 and was followed by the appearance of other oil slicks on Shetland's shores, probably from vessels cleaning out their tanks on the assumption that Shetland was a "polluted" area.

The operations are scanned and video-recorded by radar and, since the *Esso Bernicia*, no serious spillage has occurred, although there have been minor incidents, and at least one near miss.

When a tanker is 200 miles from Yell Sound it is required to report its position. The aircraft of the pollution patrol flies towards the tanker checking its projected course for any hint of pollution and covering the course twice before the vessel reaches Shetland waters. The pilotage and tug service then takes over to guide the tanker into the terminal area.

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The Great Ormerley tanker Scenic put Mr Grubb on full alert recently. After the 60,000-tonne vessel arrived at the terminal, crew members were

seen smoking on deck and terminal staff confiscated matches and lighters. Mr Grubb said. Subsequently 200 gallons of oil spilled into the sea, and the master was fined £3,830 at Lerwick sheriff's court for causing the spill. Then the tanker was overloaded by 3,000 tonnes and could not leave. After it was corrected, a check on safety equipment by trade inspectors disclosed serious shortcomings.

Eventually the Scenic left Shetland and rounded Muckle Flugga rock, heading down the east coasts of the islands, when there was an explosion in her engine room. Five crew men were injured and the ship was overloaded by 3,000 tonnes and could not leave. After it was corrected, a check on safety equipment by trade inspectors disclosed serious shortcomings.

Other rules which Shetland has introduced include a 10-mile limit for tankers around the coast and a ban on tankers sailing between Foula island and a reef near by.

Eventually Mr Grubb hopes the patrols will be carried out in an aircraft, fitted with infra-red cameras sensitive to the thinnest oil slick. The service is also negotiating for a computer terminal that will provide instantly the safety record of any tanker.

Equally important will be Shetland's growing reputation as a port where miscreant tankers are heavily fined.

Opposite the oil jetties the pollution service stands on permanent alert, with large tanks of solvent, inflatable booms, machines for consuming oil slicks, multi-wheeled vehicles that can take men and cleaning material to remote coasts, fast launches and a landing craft. It is a service that will be happy to remain idle.

Baby in fire
is dropped
to safety

Staff Sergeant Leonard Moore yesterday caught a baby boy, aged 7 months, who was dropped by his mother from the bedroom window of a blazing house near Camberley, Surrey.

He then climbed up a rain-water pipe and rescued a boy aged two.

He said that, as the window would not open, the mother smashed it and put the baby out through the broken glass and dropped it. The baby was unharmed apart from a few scratches to his head. "He came down head first and almost slipped through my fingers", Sergeant Moore said.

The ground floor of the house was filled with thick black smoke, and there was no way they could have got out through there."

Mrs Julie James, who was rescued by the fire brigade, the baby, Timothy, and her other son, Paul, were detained in Frimley Park Hospital.

Wide variation in price
of wine in restaurantsBy Robin Young
Consumer Affairs
Correspondent

The price of a wine can be three times as high in one restaurant as in another, and list prices can vary by as much as £170 for a single bottle.

These are my findings from a price comparison of 25 restaurant wine lists. Full details are printed in the February issue of *Decanter*, the bibulous bargain-hunter's bible. The survey discloses more than 40 instances in which a restaurant was charging more than double the price at which the same wine was available in another. For example, a bottle of Chateau Lafite 1967 would be £19 at the Cafe Royal, but £49.20 at the Selfridge hotel. Chateau Mouton-Rothschild of the same year would be £56.28 at the Selfridge, and only £17.95 at the Cafe Royal.

A bottle of Chateau Latour 1967 available in the Tate Gallery restaurant at £16.67 would set back those who take their meals at the Tower Hotel £49.62, and Chateau Margaux 1969 is only £22 at Keats restaurant, in Hampstead, but £66.30 at Le Gavroche, Chelsea.

Price variations in the provinces are no less marked than in the capital. Chateau Latour 1962 is £58.50 at Pool Court, Pool-in-Wharfedale, West Yorkshire, but only £20 at Housoun house, Upball, Lothian; 1957 Lafite is £46 at the Elizabeth, Oxford, and £21.88 in the Malmston restaurant of the Central Hotel, Glasgow.

Even between country inns the difference can be as great.

The Toastmaster's Inn, at Burham, Kent, charges £35 for a bottle of Chateau Gruaud-Larose 1962, which a rival, the White Horse, Chilgrove, West Sussex, sells for £13.95.

The biggest price difference of all was £170 between Chateau Lafite 1945 at Le Gavroche (£250) and Au Jardin des Gourmets, Soho (£80). Le Gavroche's price includes a 15 per cent service charge, but tipping is at the discretion of the client at Au Jardin des Gourmets.

Nor are all restaurants consistently cheap or expensive in their pricing. Au Jardin des Gourmets, for example, quoted £600 for Chateau Petrus 1971, which sells at £18 at Housoun House.

Wine lists cited in the survey as being often the most expensive include those of Le Gavroche, Keats, Pool Court, the Elizabeth, the Selfridge hotel and the Toastmaster's Inn.

The Tate Gallery, Malmston, Housoun House, Cafe Royal and Dorchester hotel are recommended for bargains. The Mirelle, in Curzon Street, London, is said to be a cheap source of 1961 claret, but dear for 1970.

Decanter points out that there are good reasons why prices should vary, particularly when the wine has been bought at different times in a fluctuating market. "But the comparisons show", it says, "that one does not necessarily pay less in a modest country pub than in a grand hotel de luxe."

Warrant issued
for German
tanker skipper

From Our Correspondent
Southend

Magistrates at Rochford, Essex, issued warrants yesterday for the arrest of the captain and first officer of a German oil tanker that was involved in a collision at the methane gas terminal on Canvey Island.

The two men failed to appear to answer joint summonses relating to the incident last April 22, when the terminal jetty was damaged.

Mr Derek Chisnall, prosecuting for the Port of London Authority, applied for the arrest warrants and told the court the two accused had left the country the previous day. Captain Udo Blank and Völkner Rusch, first officer, are jointly accused of navigating in a manner liable to injure or endanger the installation, careless navigation and unlawfully navigating the tanker Sea Enniskillen under automatic steering in the Thames estuary.

WHY YOUR LAST FUEL BILL
CHARGED YOU
FOR HEAT YOU DIDN'T USE.

You've been paying for the heat that got away.
The heat that disappeared through your walls, windows, tank and loft, only to reappear on your fuel bill a few months later. It's obviously heat you can do without, so why not do something about saving it?



For instance, if you fit your hot water tank with a good thick jacket, the heat it retains will keep water hot for longer, consuming less fuel and less money.

Yet even with the thickest jacket there will still be enough heat to air your clothes.



If your bedroom cools down quickly at night, perhaps you should sleep in your loft.

Because that's where the heat could be going.

A full 3 inches of insulation (mat or loose-fill) would keep that warmth where it's most appreciated.

Without efficient insulation your loft is adding a huge extra room to your heating bill.



If you have a large window in your living room, that window could be quietly lowering the temperature while your central heating works overtime to raise it.

In a case like this you'd be well advised to consider double glazing.



And if you heat your house for most of the day, why not talk to some specialist firms about the possibility of installing cavity wall insulation? Here again you could find dramatic savings in fuel.

We've included more advice on these and other forms of insulation in our booklet "Make the most of your heating". (You'll also find details of a grant of up to £50 towards loft and tank insulation.)

Post the coupon and we'll send you a free copy.

To: Dept of Energy, Make the most of your heating, P.O. Box 702, London SW20 8SZ.

Please send me a free copy of your booklet.

Name _____

Address _____

DEPARTMENT OF ENERGY

T.T.6

MAKE THE MOST OF ENERGY



Professor Burns in London yesterday: "I am worried about old anti-Kennedy stereotypes emerging in Britain."

Kennedy campaigner aims to correct Britain's 'negative' view of senator

By Ian Bradley
A senior American political scientist, who has written biographies of several members of the Kennedy family, came to London yesterday to counteract what he describes as the negative attitude to Senator Edward Kennedy in Britain and to lend his weight to the Kennedy for President campaign in this country.

Professor James MacGregor Burns, Professor of Political Science at Williams College, Massachusetts, was on his way to a European management conference in Switzerland.

He said he had decided to break his journey for a day in London "because I am very worried that the old anti-Kennedy stereotypes are emerging once again in the British media".

The British attitude, to Edward Kennedy, he said, was very similar to the attitude to John F. Kennedy in 1959. "There is still what seems to me to be a misunderstanding based on British memories of Joseph Kennedy when he was ambassador here, and when he seemed to be complacent in the face of Nazi aggression, if not indeed defeat."

During his day in London Professor Burns gave an interview to the BBC and spoke to journalists gathered in the Pall Mall office of Mr Thomas Conlon, the American lawyer who is running the Kennedy for President campaign, aimed at the 100,000 Americans resident in the United Kingdom.

Mr Conlon, who was in jubilation mood, having just received 150 Kennedy badges from campaign headquarters in the United States, introduced Professor Burns as "just back from the front lines", having campaigned for Senator Edward

Kennedy in California, Vermont and Iowa.

In fact, it emerged that Professor Burns had not been part of the official Kennedy bandwagon but had used his own money to take some of his students on a tour of colleges, "saying what I wished".

Professor Burns, whose biography of Edward Kennedy is subtitled "The Camelot Legacy", said he regarded the Kennedy family as symbolizing both sides of the Arthurian legend: "the drama, the violence and the deceit; and the courage, the nobility and the honour".

He admitted that the Kennedy family's Irish roots made them slightly suspect in English eyes.

But it was with a Welsh politician that he compared them. Given time and maturity, Kennedy with the caution of a man who did his training at the London School of Economics in the late 1940s. "I think that any of those three Kennedy brothers might have developed in terms of vitality and drama into a Lloyd George".

Professor Burns's main message to the American voters in Britain, and to the sceptical British, is that "Edward Kennedy is essentially not a glamorous figure; he is a very serious and committed public man in the strong liberal democratic tradition of Truman and Roosevelt".

He admits, however, that his hero has a less than fifty-fifty chance of gaining the Democratic presidential nomination.

If it were only a matter of gaining the votes of Americans on this side of the Atlantic he might well be more confident. The Carter Campaign has not even set off the ground yet in Britain.

£35,000 jewel stolen from exhibition stand

The police are investigating a series of thefts at the International Spring Fair at the National Exhibition Centre, near Birmingham, including the disappearance of a diamond valued at £35,000.

The brilliant-cut, 3.4-carat gem was taken from a display cabinet on one of the stands. It is thought that a stand assistant's attention was distracted by one man while another took the diamond.

The men are described as smart looking and aged between 30 and 45. A 3 cwt box containing silver candlesticks and gold-plated trays, valued at £2,000, and cigarette lighters and powder compacts valued at £1,000 were also stolen last weekend.

Energy conservation cuts 'may put old at risk'

From Our Correspondent
Glasgow
An urgent appeal is being made to the Government to set up insurance advice centres because of the fear of many more deaths among the infirm and the elderly who are having to cut back on heater heating.

Scottish representatives of Shelter, Age Concern, the Consumer Council, Fuel Poverty Action, the Conservation Society, and Friends of the Earth pointed out yesterday in Glasgow that most homes were so poorly insulated that 70 per cent of the heat used was lost.

They said that resources given to energy conservation should not be cut back and that there were between 3,000 and 5,000 deaths a year in Scotland linked to hypothermia.

A letter signed by Mrs Margo MacDonald, former vice-chairman of the Scottish National Party, who is now director for Shelter in Scotland, is being sent to Mr David Howell, Secretary of State for Energy, with a copy to all of Scotland's 71 MPs. It expresses deep concern at reports that the Government is considering further cutbacks in energy conservation. It points out that more advice to people on insulation was essential, especially to poorer people, who spent about twice as much on fuel as the population as a whole.

Without that "many people will have to consume more

heat than they can afford, or cut back in energy use and possibly fail to maintain minimum standards of heating". The human cost of fuel poverty had to be taken into account in planning energy conservation.

The signatories also include Mr Robin Webster, director of Age Concern, Scotland, Mr Peter Gibson, director of the Scottish Consumer Council, Mr Alastair Grimes, secretary of the Fuel Poverty Action Group, Mr Iain Macdonald, director of the Religion and Technology Project of the Church of Scotland, Mr Roger Downie, chairman of the Scottish West, branch of the Conservation Society, and Mr Adrian Watt, coordinator of the Friends of the Earth in Scotland.

They ask the Government to think again on the serious implications for poorer people of any reduction in the commitment to conservation.

Closed frontier gates cast their shadow over Gibraltar election

From Our Correspondent
Gibraltar, Feb 4

The people of Gibraltar go to the polls on Wednesday to elect 15 members to the House of Assembly from the 27 candidates.

Sir Joshua Hassan, the outgoing Chief Minister, will be repeating his successful election formula by asking voters to return him and seven other members of his Association for Civil Rights/Gibraltar Labour Party (AACR/GLP) en bloc.

During Sir Joshua's last term of office two members of the opposition joined his party, Mr Brian Peto, a lawyer, and Dr Reginald Valarino have proved very useful additions to the AACR/GLP strength and allowed Mr Abraham Serrano and Mr Aurelio Monzeglio to retire.

Although the Gibraltar Government has responsibilities for the Rock's 20,000 inhabitants are restricted to internal affairs, the past three elections have been fought around the problem of relations with Spain. For 12 years the frontier gates have been closed as the Government of General Franco tried to gain sovereignty over the Rock. Spain's return to democracy has brought little change of heart.

Telephone links between Spain and Gibraltar have been restored and a blind eye turned to resumed trading. A few prominent citizens with strong Spanish connections are allowed to sail their yachts into Algeiras, 20 minutes across the bay. But for the large majority of Gibraltarians access to Spain is still a ferry trip via Tangier, which means from seven to 12 hours of travelling and a minimum expense of £50 per person.

A charter flight to London is as cheap and takes little over two hours.

The Hassan approach to the Spanish problem is built around regular reminders to the British Government of Gibraltar's status as a British overseas territory. He is against an electoral system that favours party politics and preaches the evils of a National Health Service. In the previous elections, he narrowly missed being returned.

No matter how much the local affairs intrude into the campaign the Spanish frontier gates will dominate the thoughts of Gibraltarians.

Spain is moving towards Europe in terms of the council

of Europe, EEC and Nato, but Gibraltarians have little faith that this democratization process will bring any opening of the frontier gates without concessions to Spain.

A nucleus of opinion on the Rock, small but vociferous, points to the disadvantages of such an open frontier. The neighbouring provinces of Cadiz and Malaga have the highest unemployment figures in Spain. Gibraltarians enjoy parity of wages with Britain and full employment. There are fears that the high standards of living, enjoyed on the Rock could be lost if the frontier is opened.

The three candidates of the party for the Autonomy of Gibraltar are standing on a ticket which calls for a negotiated settlement with Spain. Leading the team is Jose Emanuel Triay, a lawyer, who was heavily criticized when he suggested a settlement during the early days of the Franco campaign against the Rock. He contends that Gibraltar's colonial status must come to an end and sees a natural relationship developing with Spain. Incorporating the idea of autonomy into the party's title recognizes the parallel process of regional administrations being developed in Spain. Andalusia holds a referendum on autonomy in February, 1981.

One other party, the Democratic Party for British Gibraltar (DPBG), has put forward eight candidates. Their leader, Mr Peter Isola, has a long history sitting on the Opposition benches.

Mr Joseph Bossano, a trade unionist and economist, has kept the Government on its toes over the past four years. His Gibraltar Socialist Party (GSP) has five other candidates standing. None of the others, mostly unionists, has previous experience in politics.

Mr Eric Elini, an independent, has previously shown an inclination towards a settlement with Spain. Finally there is a candidate, Dr Cecil Isola. He is against an electoral system that favours party politics and preaches the evils of a National Health Service. In the previous elections, he narrowly missed being returned.

From Ian Murray
Paris, Feb 4

The French Communist Party is hell bent on revolution. Any idea that it might still be prepared to reshape its alliance with the Socialists must have died at the Young Communist rally over the weekend at Viry-sur-Seine.

M. Georges Marchais, the party leader, told the closing session last night that this was the age of revolutions and declared: "We want to make the revolution." The 1,300 delegates cheered.

"Yes, yes, yes. We are the Reds."

M. Marchais, fresh from his summit meeting in Moscow with Mr Brezhnev, was the hero of the moment. There was no thought for a renewal of the old union of the left with the Socialist Party. Revolution and not reform was the theme of the rally.

There was a clear difference in M. Marchais' mind between the position of Communists inside and outside the country. Outside France, he said, they were part of an international revolutionary movement that was standing up to capitalism and imperialism. Inside France they were alone and isolated from employers and social democrats.

"We do not complain of that," he went on. "It is a matter of pride to us, the Communists, to be the revolutionaries to be strangers to that world."

It was time, he said, to close ranks and to build a socialism "to the taste of our people, in the colours of France."

To achieve that he called for a "pure and tough revolution" and a "force of new hope for the people and for our nation. It was not only a landmark in the so-called normalization era after 1969 but a qualitatively new phenomenon in our postwar period. It has united people within the party and the state institution illu-

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Charter 77 is based on the legal system of the Czechoslovak Republic as a sovereign state. It has no intention of changing the existing social system. On the contrary, it wants to consolidate Czechoslovak statehood by pressing for the observance of laws guaranteed to its citizens by the constitution of the republic and supplemented by international pacts on human and political rights.

The gruesome experiences of mankind in the twentieth century make it our duty to emphasize the fundamental right of man to life. One of the paramount objectives of the struggle against fascism during the Second World War was to free man of stress and fear. This demand is as urgent today as it was then.

Charter 77 intends to continue to stand up for the right of every human being to a free life in accordance with his or her conscience and human values.

A free and creative life is in the interest of every cultured state and social system. If we recall the wider social impact of human and civic rights in keeping with the spirit and the essence of the United Nations covenants this demand is not excessive, let alone subversive.

The past three years were, nevertheless, marked by a growing effort of the abuse authorities to suppress Charter 77 and to disrupt it from within. Many of our friends were unjustly imprisoned or driven out of their country, or subjected to other forms of persecution and discrimination. The authorities which in this illegal manner exercise their claim to absolute domination and ruthlessly repress, even the most modest attempts at independent human and civic existence, make our efforts to conduct an effective struggle with the state institution illu-

Revolution not reform is Marchais theme now

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Charter 77 assesses future role after three years' persecution

By Our Foreign Staff

Charter 77, the Czechoslovak human rights movement, reassesses its role and political aspirations in a statement just issued. It says it enters its fourth year internally more united and with a clearer understanding of its achievements and shortcomings.

The following is a shortened version of the statement made available by the Palach Press Agency:

Charter 77 lives on and is active despite various errors and, more particularly, despite the constant and recently escalated attempts by the state authorities to destroy it.

We believe that a steadily increasing number of people in our country understand its historical significance and topical mission. The events of the past six months have contributed to this since the political authorities have revealed those aspects of Charter 77 to which they most object, namely the consistent defence of basic human and civic rights.

This was the fundamental reason for the publication of Charter 77 three years ago. At that time we understood that the defence of human and civic rights was an important prerequisite for an existence free from repressive manipulation and alienation. Inside the country there was also an essential condition of non-conformist social and cultural activity which to a large extent determines the preservation not only of the human and civic identity of the individual but also of the national identity in the spirit of European cultural traditions.

We believed, and still believe, that by defending human and civic rights Charter 77 can erect a barrier against growing demoralization and social alienation. The authorities which in this illegal manner exercise their claim to absolute domination and ruthlessly repress, even the most modest attempts at independent human and civic existence, make our efforts to conduct an effective struggle with the state institution illu-

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gradations are involved in this in defending human and civic rights, we are not deliberately seeking a conflict with the political authorities. Our conviction that the future will vindicate our faith in the justice of our cause gives us hope and the strength to continue at all cost.

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France protests to Libya over embassy wrecking

From Our Own Correspondent
Paris, Feb 4

The French Government is protesting vigorously after its embassy in Tripoli was attacked and wrecked by demonstrators.

The demonstrators had forced open the doors and destroyed everything they came across. "The walls were left standing but everything else was wrecked," he said.

Tripoli radio, monitored in Tunis, said the "impressive demonstration was against the invasion of Tunisia by French forces and French attempts to make a French protectorate of Tunisia."

Tunisian target: The Tunisian embassy in Tripoli also came under attack by demonstrators this morning about the same time as a mob was ransacking the French Embassy, Tunisian diplomats said in Paris.

Agence France-Presse.

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Atom test-ban negotiations to be resumed

From Our Correspondent
Geneva, Feb 4

Unlike the negotiations between the United States and the Soviet Union on banning chemical weapons, which have been shelved, the discussions involving those two countries and Britain on a treaty prohibiting nuclear tests are apparently to proceed as scheduled.

Contacts between the three delegations took place today on arranging a formal plenary meeting to inaugurate the new session.

The test-ban talks, begun more than two years ago, were virtually stalled on the issue of verification when they adjourned in December.

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Contacts between the three delegations took place today on arranging a formal plenary meeting to inaugurate the new session.

The test-ban talks, begun more than two years ago, were virtually stalled on the issue of verification when they adjourned in December.

Charter 77 enters its fourth year internally more unified and with a clearer understanding of its achievements and shortcomings. Our conviction that the future will vindicate our faith in the justice of our cause gives us hope and the strength to continue at all cost.

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OVERSEAS

Congress inquiry into members named by FBI in bribery scandal

From David Cross
Washington, Feb 4

The ethics committee of the House of Representatives announced today that it had begun examining for some time allegations of misconduct against some of the same members of Congress accused of being involved in the Watergate scandal.

Mr. Charles Bennett, the chairman, said his committee would now broaden its inquiries to include those members of the lower House named by the Federal Bureau of Investigation (FBI) in its latest undercover operation.

After an investigation lasting nearly two years, the FBI is reported to have recorded on film and tape a series of transactions in which hundreds of thousands of dollars were paid to senior public officials by FBI agents posing as Arab businessmen. The money was alleged to have been handed over in return for promises of various legislative favours.

Eight members of Congress, including a Democratic senator from New Jersey, and some 20 state and local officials have been named in newspaper accounts of the operation, which was code-named Abscam (an abbreviation for Arab scam). An scam is a confidence trick of the type depicted in the film *The Sting*. The officials named in the press accounts have refused comment on the allegations or denied any wrongdoing.

The Department of Justice said today that it would have no comment at all about specific investigations of political corruption and the Watergate scandal because they might "injure the reputation of innocent people".

Government promises no coercion of athletes

By Nicholas Timmins

No "oppressive methods" such as withdrawing passports, would be used to prevent athletes going to the Moscow Olympics, Mrs Thatcher told sporting authorities yesterday.

The assurance was given when Mrs Thatcher met members of the Central Council for Physical Recreation at Downing Street. But the Prime Minister repeated the view that the Games should be moved from Moscow to another venue.

She made it clear that she is adopting a step-by-step approach and is awaiting the outcome of her request to the British Olympic Association.

But it was disclosed yesterday that Sir Denis Follows, chairman of the British Olympic Association, has already written to Mrs Thatcher to say there is "little or no support" in the national Olympic committee for the games to be moved.

He also told her that he does not think the games could be divided among several venues unless the International Olympic Committee (IOC) finds just cause to move the games from Moscow.

The issue will be put before a special meeting of the national committee on March 4. By then the IOC is likely to have decided its position.

Mr. Glen Haig, chairman of the CCPR said after yesterday's meeting: "She told us she is not going to stop anybody going to the games forcibly. In no way will she use oppressive measures such as withdrawal of passports."

"She is taking the matter through the normal constitutional way, through the British Olympic Association". When the response to that request was known, "she would . . .



Mrs Thatcher and Mr Malcolm Fraser, the Australian Prime Minister, at Downing Street

decide what sort of advice should be given to British sportsmen and women."

The CCPR reiterated its view that it would be impossible to relocate the games now. It also pointed out that it was not just the 26 Olympic sports among its 214 members that had contacts with the Soviet Union.

Mr. Norman Sarsfield, the council's vice-chairman, said Mrs Thatcher had told the delegation that other sporting relationships with the Soviet Union could continue.

Australian support: The Olympics should not be held in Moscow, and if they were they should be boycotted, Mr. Malcolm Fraser, the Australian Prime Minister, said in London yesterday. (David Spanier our Diplomatic Correspondent writes.)

Mr Fraser said that the Rus-

sians had stated in their writings, that politics was very much a part of sport. They had claimed that holding the games in Moscow would signify approval of their foreign policy.

Mr Fraser, who met Mrs Thatcher at Downing Street for talks on Afghanistan and the Olympics, emphasised that Australia supported the British and American lead.

Boycott questionnaire: Lord Killanin, the president of the IOC has sent a questionnaire to heads of international sports federations, asking for their opinions on the boycott issue. All sports federations, including the former world heavyweight boxing champion, who is visiting African countries to urge support for President Carter's call for a Moscow boycott arrived in Nairobi yesterday and in effect apologized for not

knowing the strength of African feeling. (Our Nairobi correspondent writes.)

He told an airport press conference that he had only just learned that the United States had not supported the African boycott of the Montreal Olympics in protest against sporting links with South Africa.

"If I knew before I left everything I have found out, I would not be here," he said.

But he said he would continue with his trip to Nigeria, Liberia and Senegal "because I think this mission is just". Bonn support: Herr Hans-Dietrich Genscher, the West German Foreign Minister, said in an interview published in Bonn yesterday that his Government stood by the United States in its campaign to boycott the Olympics. —

Accord to speed up Egypt-Israel ties

From Christopher Walker,
Jerusalem, Feb 4

The Egyptian and Israeli governments have agreed to the establishment of a comprehensive new negotiating framework designed to speed up the process of normalizing relations well ahead of the schedule laid down last year in the Camp David accords.

Under the terms of the plan it is hoped that formal agreements on the main issues of aviation, culture and trade can be reached within the next six weeks. This compares with the written stipulation in the peace treaty that bilateral discussions under these three headings need not begin until July 26.

It is understood that the new framework was worked out during three days of intense private talks in Cairo between six senior Israeli and Egyptian officials. The results were reported this morning to Mr Menachem Begin, the Israeli Prime Minister, who later said the talks had been "completely successful".

Egypt and Israel have agreed to set up eight joint sub-committees to discuss the immediate establishment of normal ties in tourism, air and sea transport, civil aviation, culture and science, trade and economy, telecommunications, energy, and agriculture.

A strict timetable has been laid down for which will meet in Israel and the other in Egypt. Each sub-committee will have about six members including officials from the relevant ministries and from both foreign ministries.

The agreement has coincided with reports in Israeli political circles of a more business-like approach being adopted to normalization by the Egyptian authorities.

The two factors are cited as evidence that for the present at least, the process is not being linked with progress towards an agreement on

Palestinian autonomy. The two countries have also agreed to establish a joint commission to handle financial claims at government level. One subject likely to be raised is the question of the oil extracted by Israel from the Alma oilfield before it was handed back to the Egyptians last November.

Since the complex process of normalization began on January 26, the practical results have been patchy and occasionally reduced to the level of farce by the heavy hand of Egyptian bureaucracy. Most Israelis now appear to accept that because of the centralization in Egypt, little in practical terms is likely to happen until the relevant government-to-government agreements have been signed.

The setting up of the new sub-committees was described today by a senior Israeli Foreign Ministry official as "a very positive step forward". It comes after a pledge to increase the tempo of normalization given last month by President Sadat of Egypt to Mr Ezer Weizman, the Israeli minister responsible for the process.

Today's disclosure coincided with the arrival in Israel of an Egyptian diplomatic team to choose premises for the Egyptian Embassy and the ambassador's residence.

The Egyptians have been temporarily installed in a Tel Aviv seafarer hotel and given a list of some 40 potentially suitable buildings.

After some initial confusion it has been agreed that the official unfurling of flags at the two embassies and the exchange of charges d'affaires will take place on February 15. The ambassadors will present their credentials on February 26.

The Israeli Government has already taken possession of an eight-room building in the fashionable Doki district of Cairo, near the Nile, which will serve as an embassy until larger premises can be found. Officials from the Israeli Defence Ministry have expressed satisfaction with the stringent security measures introduced by the Egyptians.

Delegates emerge from smoke

From Patrick Brogan
Washington, Feb 4

There are still a few smoke-filled rooms left in American politics, those places where policies and nominations are decided by party leaders far from the intrusive stare of reporters and ordinary voters.

The first delegates to next summer's party conventions were chosen in a smoke-filled room in Pennsylvania last November 17, when the state Republican committee selected a large delegation. The remainder will be chosen in a primary on April 22.

Last Saturday, prominent members of the Republican party in Arkansas met in a number of places, some pretty smoky, some not, and selected 12 delegates. Another seven will be selected by the state committee when it meets on February 16.

As for the Democrats, their party in Maine is holding caucuses next Sunday and the victory will probably go to the more enterprising candidate.

A Carter supporter or a Kennedy supporter, alone in the fastness of the winter country, can form a caucus practically on his own and elect a delegate to the state convention whose vote will be fully the equal of that of the representative of large gatherings of people in the cities.

Arkansas, supporters of Mr Ronald Reagan and Senator Howard Baker combined to defeat Mr George Bush. Mr Reagan got six delegates, Mr Baker four or possibly five and Mr Bush one. Mr John Connally, who once invited all Arkansas Republican office-holders to party in a supporter's house, got none.

A total of 181 people took part in the voting. They gathered in local communities and in every case the Reagan and Baker supporters agreed beforehand to carve up the vote between themselves. So Mr Bush lost the fact he was lucky to pick up one delegate.

The situation in Maine, where Sunday's vote will undoubtedly play a large part in reviving Senator Kennedy's campaign, or ending it for good, is hardly more Democratic. The state is divided into 496 "eligible electoral units" which may hold caucuses and each elect one or more delegates to the state convention on May 16.

In 1976, there were caucuses in 375 of these units, and about 6,800 Democrats turned out to vote. The number of delegates selected by each caucus depends on the number of democratic votes cast in the last election to Governor.

Coping with rebel raids, sabotage and land reform in an Afghan town

A day in the life of Jalalabad's Governor

From Robert Fisk
Jalalabad, Feb 4

The Governor of Jalalabad, middle-aged, with closely cropped grey hair and wearing thick-rimmed spectacles, could hardly cope with the morning visitors and the evening reports.

The chief of police was here with reports of the damage from the fighting of the last few hours; the local Army commander, snapping to attention in a tunic two sizes too small for him, presented an indignantly large pile of arms reports. A crowd of farmers poured into the room with compensation claims.

Every minute the telephone rang with reports of sabotage from the villages though it was sometimes difficult to hear the callers because of the throb of four helicopter gunships, which could be seen hovering over the trees through the window. It had been a bad night.

Mr. Muhammad Ziarad, former export manager of the National Wool Company and Governor of Jalalabad for just 10 days, refused to let these things overwhelm him. "There is no reason to over-dramatise these events," he said, as though Jalalabad's nightly gun battles had been a part of everyday life for years.

He sipped at cups of scalding hot tea as he initialled the piles of reports, joking with an Army lieutenant and gently ordering the removal of an old beggar who had forced his way into the room to shout for money.

General Zia sees need to widen his public support

From Hasan Akhtar
Islamabad, Feb 4

The results of the weekend talks here between Mr Zia and President Carter's national security adviser, and the Government of General Zia ul-Haq were considered today by the Cabinet.

According to informed sources, the meeting was attended by the chiefs of the three services. No official statement was issued about the deliberations.

However, it was stated that the Cabinet had also considered the results of the recent Islamic foreign ministers' conference and the visits of the foreign ministers of Britain, China and Australia, all of which related to the Soviet military intervention in Afghanistan.

Meanwhile it was reported that General Zia, the chief

"All revolutions are the same", he said. "We defend the revolution, we talk, we fight, we speak against our enemies and our enemies try to start a counter-revolution and so we defend ourselves against them. But we will win."

If Mr Ziarad seems a trifle philosophical—almost whimsical—in his attitude towards Afghanistan's socialist revolution that he is no party man. Somehow, he has assiduously avoided membership of either the Parcham or Khalai wing of the People's Democratic Party. His only connection to the revolution is an imposing but rather battered silver scale model of a MIG jet fighter, which perches precariously on one end of his desk.

Mr Ziarad admitted that the rebels were causing problems. "We cannot stop them shooting in the country. We cannot stop them blowing up the electric cables and the gas mains and firing bombs at night. It is true that they are trying to capture Jalalabad and they are getting closer to the city, but they cannot succeed."

To prove his contention, Mr Ziarad drew a small diagram on a piece of paper on his desk. It showed a small circle, which represented Jalalabad, and a series of arrows pointing towards the circle, which represented the rebel attacks. Then he pencilled in a series of arrows, which moved outwards from Jalalabad.

The need for a closer relationship with the population is being felt in Government quarters in view of the indefinite postponement of general elections and the extraordinary political and military situation that has arisen as a result of the Soviet military action in Afghanistan.

marital law administrator, would be calling a convention of the recently elected members of local bodies and leading figures from different walks of life later this month to seek support for his proposed new political framework for Pakistan.

The general is said to be considering setting up consultative or advisory councils in the capital and the four provinces in an attempt to associate civilians with his martial law Government.

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Meanwhile it was reported that General Zia, the chief

Massacre survivors say Soviet advisers present

Boston, Feb 4.—Afghan

troops last year slaughtered more than 1,000 Afghan civilians, *The Christian Science Monitor* reported today.

The newspaper quoted survivors who said about 200 Afghan soldiers and policemen, in the company of 20 Soviet advisers, machine-gunned almost the entire male population of the small town of Keralal on April 20.

"They forced all the men to line up in crouching positions in the field just outside the town and then opened up with their machine guns from behind," Abdul Latif, an Afghan traffic policeman now living in Pakistan, was quoted as saying.

"Then they spread out through the town, gunning down all the remaining men they could find."

The shooting in the small town in eastern Afghanistan's Kunar Province was the first reported case of a mass military

reprisal against the civilian population since fighting began almost two years ago, the paper said.

The shooting was reportedly ordered by a Soviet officer who wore an Afghan uniform with rank insignia. Survivors said that as they watched, an army bulldozer ploughed the bodies into an open field.

Circumstantial proof: Stories of atrocities keep coming to light from among the Afghan refugees and although difficult, if not impossible, to verify, the very existence of so many refugees is proof that persecution on a large scale was going on, Ian Murray writes from Paris.

At the same time poor communications inside Afghanistan have tended to make rumours a powerful influence and many refugees explain that they fled their native village because of what they had heard was happening in other villages near by.

Three missing reporters safe and well

Kabul, Feb 4.—Three Western correspondents who had not been heard from since they left their hotel here on Friday reported today that they were safe and well in a town in northern Afghanistan.

A telegram sent by Richard Balmforth, a Reuters correspondent, from Mezar Sharif, near the Soviet border, said he and the other two journalists had been delayed by bad weather and would be returning to Kabul by bus on Sunday.

The three correspondents left Kabul by taxi on Friday but were stopped, together with other traffic, at the Salang Pass.

Soviet airliner beats US trade union ban

New York, Feb 4.—A Soviet airliner with 68 passengers and a crew of 10 on board landed at Kennedy International Airport yesterday despite instructions to proceed to Dulles International Airport in Washington because of a ban by unionized luggage handlers and other ground service employees.

Officials said they had been told of the unauthorized landing about 30 minutes before the Ilushin-62 jet from Moscow touched down at 2:34 pm.

The passengers waited for more than an hour, and then their luggage was handled by a private contractor.—New York Times News Service.

Bonn-Paris talks strive for detente

From Charles Hargrove
Paris, Feb 4

The day-fifth Franco-German summit here is turning out to be one of the most important since the signing of the treaty between General de Gaulle and Dr Konrad Adenauer.

Little has transpired about the talks which began yesterday evening between President Giscard d'Estaing and Herr Helmut Schmidt, the West German Chancellor. They have met privately and with Mr Raymond Barre, the Prime Minister, and the two foreign ministers.

The final statement by the two statesmen to the press at noon tomorrow will doubtless bring out their determination to achieve Europe's "original position" in the present world crisis.

Africanism, combining loyalty to the western alliance with an independent assessment of events, and a determination to pursue the policy of detente.

This difficult compromise between apparently conflicting objectives, in view of the firmness of the American and British reactions to Soviet intervention, is easier for President Giscard d'Estaing than for the West German Chancellor.

Herr Schmidt wants to preserve both the western alliance and the confidence of the United States on which his country's security relies more than ever; and he does not possess a national nuclear deterrent to enable him to play a relatively independent role within the western alliance.

He also has to take into consideration the parliamentary elections next autumn, and Christian Democratic eagerness to seize upon anything his government did which might be construed as "appeasement", or a loosening of the ties with Washington.

The French President has no such problems. But the somewhat isolated position in which he finds himself in the West over the assessment of the crisis and of the appropriate means of meeting the Soviet threat makes West German support all the more indispensable.

Everything indicates that the Chancellor agrees with the President's approach and objectives, and that he is now in a position to proclaim them, and in what form.

It is highly likely that tomorrow's declaration will reflect his concern not to do or say anything which appears to undermine the wider solidarity of the West in a time of crisis.

Peking drought hits wheat and irrigation

Peking, Feb 4.—A severe drought has affected the Peking region, killing winter wheat in some areas and threatening to impede crop planting in the spring, according to the *Peking Daily* today.

Since September the Peking municipality had had only 1.2 inches of rain or snow. That was 2.9 inches less than in the same period last year and 2.2 inches less than during the last bad drought in 1972.

The newspaper said: "Some small and medium-sized reservoirs have very little water in them and other small reservoirs have already run dry." Such a drought had "seldom been seen in the past 45 years."

Chinese make third change of commanders

Peking, Feb 4.—A new commander has taken over China's strategic Urumi military region which is on the border with the Soviet Union in Central Asia, the *People's Daily* reported today. It was the third change of command in the region in the past two weeks.

Diplomatic sources said the Government appeared to be undertaking a reshuffle of military commands, possibly to raise younger men to senior positions.

The *People's Daily* said the new commander in Urumi, in China's Xinjiang (Sinkiang) province, is Xiao Guang, a former deputy commander of the Sengyang military region.—Reuters.

Delhi tries to stop Pakistan arming

From Richard Wigg
Delhi, Feb 4

Mr D. Sathe, India's Foreign Secretary, left here this evening for Islamabad to try to convince President Zia ul-Haq and his fellow generals ul-Haq and the lure of American weapons against the Soviet threat across the Afghanistan border.

As Delhi's top professional diplomat he may be able to talk the same language as the senior officials in the Pakistan Foreign Ministry. They too are balancing act to maintain a balance of power in the crisis broke a month ago. But the real problem will be the General Zia, looming larger than life in Indian eyes by the time he has now assumed for the West.

Reports coming here that Mr Bigniew Brzezinski, President Carter's national security adviser, has not reached agree-

ment in his weekend talks with the Pakistan generals over the level of American military aid, give the Sathe mission at least a sporting chance.

Mr Sathe went off bearing a letter from Mrs Indira Gandhi, the Prime Minister, the second since taking office. After the public warnings made here during the past week in the presence of Mr Clark Clifford, President Carter's special envoy, that Pakistan should not fall into the "trap" of accepting American arms, of accepting American arms.

Mr Sathe has talked about improving relations in the spirit of the 1971 Simla agreement. But it is now clearly realized, if not stated in public, that only some kind of Indian pressure from Moscow to agree to withdraw its troops from Afghanistan can have any real chance

of deflecting Pakistan from modernizing its forces.

Mrs Gandhi will have a chance to try her hand when she meets Mr Andrei Gromyko, the Soviet Foreign Minister, who is due here next week.

But there may be more effective ways by quietly conveying to the Russians, out of public hearing, the region's profound dislike of what they have done in non-aligned Afghanistan.

Such quiet diplomacy will, of course, take time and this in the Indian view is the danger behind the Brzezinski visit. President Carter is under domestic pressure to "do some thing", and in Delhi's view, the national security adviser, who did not even bother to come here, is perhaps the worst counsel Mr Carter could have on how this region really feels.

Greek farmers 'strike' for higher prices and pensions

From Mario Modiano
Athens, Feb 4

Greek farmers went on "strike" today to press the Government for higher security prices for their produce, full insurance against crop damage, the rebelling of farmers' pensions, and the deferment of their loan obligations for 10 years.

The farmers were called upon to abstain from all commercial dealings for a week by the Panhellenic Confederation of Farmers' Associations, which also planned to hold mass protest rallies in provincial centres next weekend.

The Ministry of Commerce asserted today that Athens had been adequately supplied with vegetables, fruit, meat and poultry, and that in some instances prices had in fact declined. The absence of shortages on the first day of the

action may be due to the stocks usually kept by the merchants. There are, however, limited supplies of fresh produce.

The farmers' associations were originally launched by the Panhellenic Socialist Movement (Pasek), the main opposition party, to organize farmers politically and counterbalance the large agricultural and state-controlled agricultural cooperatives. Recently, however, the pro-Moscow Greek Communist Party was said to have managed to wrest control of several associations from Pasek.

When the Government announced last month that farmers' old age pensions would be doubled, Pasek protested that this was not enough and said that they should be trebled. The strikers have also adopted other Pasek slogans for higher security prices and a debt moratorium.

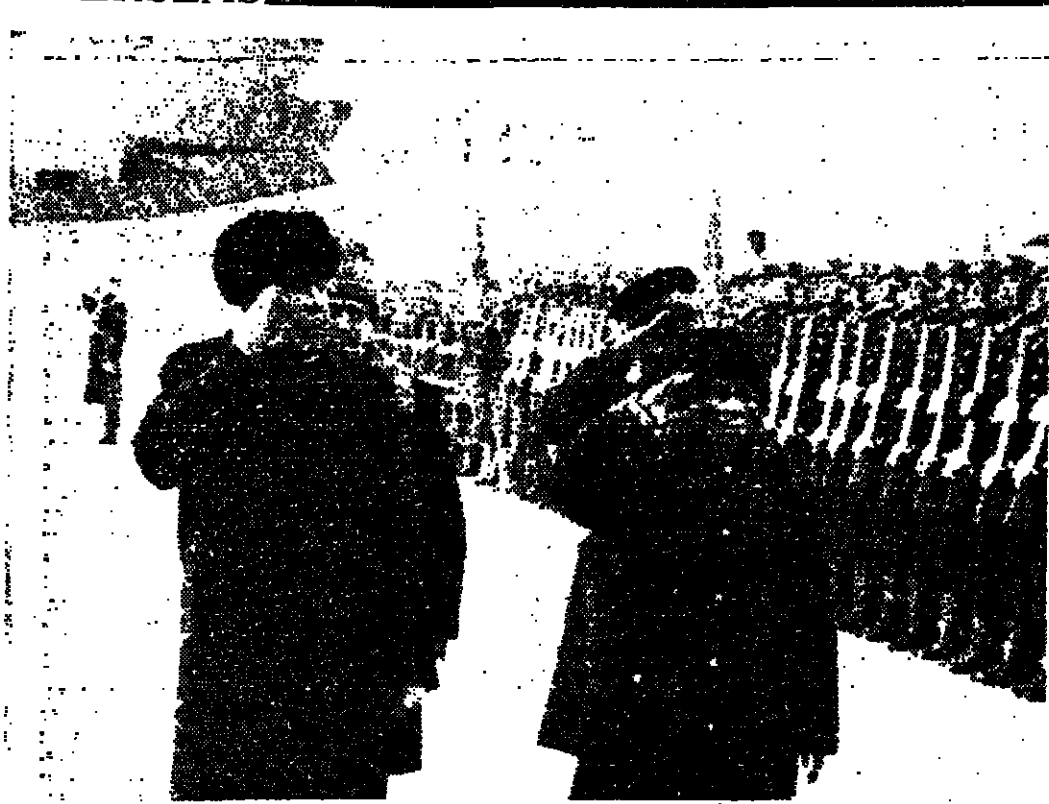
Journalist shot while filming in Zambia dies

Sydney, Feb 4.—Anthony Joyce, the Australian television journalist who was wounded in Zambia last November has died in hospital in London without regaining consciousness.

Mr Joyce, aged 33, was shot by an unidentified assailant after filming a bridge destroyed by Rhodesian commandos just south of Lusaka.

Britain's leading British mechanic living in southern Rhodesia was killed for two years in Lusaka today for entering Zambia with unlicensed ammunition.

Bryan Arthur Stanley, aged 40, of Kariba, had admitted having 66 bullets without a licence in his car. Jeffrey Holden, aged 22, an Australian travelling with Mr Stanley will go on trial here for the same offence on February 13.—Reuters.



President Brezhnev and Mr Heng Samrin inspecting a guard of honour in Moscow.

Kampuchea leader in Moscow

Moscow, Feb 4.—Mr Heng Samrin, president of the Vietnamese-supported government of Kampuchea, arrived in Moscow today in a warm welcome from President Leonid Brezhnev.

The Phnom Penh leader was installed in power after Vietnamese troops entered Kampuchea at the end of 1978 and the pro-Chinese government of Mr Pol Pot was overthrown.

His visit is likely to last at least a week and include formal discussions with Soviet leaders, probably centring on Soviet aid to his administration.

The Soviet Union has been providing the Phnom Penh Government with food, medicines, cars and equipment for building small factories. It is also believed to have sent military supplies to the Heng Samrin army which, with the help of Vietnamese troops, is still fighting supporters of Mr Pol Pot.

Aid difficulties: The Rev Jean-Louis Clavard, representative of the World Council of Churches in Phnom Penh, spoke today of his unending struggle "to get things out of warehouses and going to the people" (Alan McGregor writes from Geneva).

He said aid was distributed by the Kampuchean Government but "we do have a few opportunities to check ourselves on what is happening to food and medical supplies".

According to reports, distribution in areas distant from the main cities was still very slow and inadequate. Mr Clavard, who spent 15 years in Kampuchea as a Protestant missionary and speaks fluent Khmer, said he did not believe that distribution difficulties were caused deliberately.

While the regime was avowedly Marxist, he said, there was no restriction on religious services in private homes.

Interpol joins hunt for missing union leader

From M. G. G. Pillai
Singapore, Feb 4

The Singapore Government has asked both Malaysia and Interpol to help find Mr Phay Yew Kok, aged 46, who has been missing since January 7 when he failed to answer charges of criminal breach of trust and misappropriation of trade union funds.

What is unusual about the request is that Mr Phay was a respected trade unionist, the immediate past president of the National Trades Union Congress (NTUC), a member of Parliament and in the inner circles of Singapore's ruling People's Action Party (PAP).

He was charged in December on six counts of criminal breach of trust and misappropriation of funds from two trade unions he controlled, totalling \$100,000 Singapore dollars (about £20,000). Another two charges would have been added had the trial begun.

He was allowed to retain his passport and several theories have him in Malaysia, Thailand, Taiwan or dead. The court has since ordered that the two people who put up bail forfeit almost \$510,000.

The NTUC reacted sharply by dismissing him from all official posts, including the secretary-generalship of three powerful trade unions under its umbrella: the Singapore Industrial Labour Organisation

(SILO); the Pioneer Industries Employees Union (PIEU) and the Singapore Air Transport Union (SATU).

If his trial is not held, the specific charges against him will not be known. The People's Action Party under the leadership of Mr Lee Kuan Yew, the Prime Minister, has never hesitated to move against leading members of its own party if they are involved in criminal or questionable acts. A Cabinet Minister, a Deputy Minister and several others have discovered this to their cost over the past 20 years.

There are still many unknown reasons for the downfall of Mr Phay but it is understood that he was charged after a routine audit of the unions he controlled. Coincidentally, he has been known to be building up support among the Chinese-educated group within the PAP to try for the leadership after Mr Lee leaves the scene.

He has been uncautiously critical of the English-educated leadership within the party and is known to have support among a section of the island's 65 members of Parliament.

It is understood that Mr Lee had Mr Phay in mind when he accused some trade union leaders last year of using their offices for ulterior motives.

Some Singaporeans feel that the Government allowed Mr Phay to disappear, but it remains speculation.

Opposition walk out over Desai inquiry report

From Richard Wigg
Delhi, Feb 4

Five opposition parties in the Indian Upper House staged a walkout today in protest over the Government's refusal to table immediately the full text of the report of a judicial inquiry into the activities of Mr Kanti Desai, the son of the former Janata Prime Minister.

Instead, the Opposition alleged, the Government of Mrs Indira Gandhi had chosen to leak to a local news agency yesterday what they called a "distorted version" of the report. It quotes Mr Justice Vaidialingam as finding that Mr Kanti Desai exploited his father's position to exercise "extra constitutional authority".

This was exactly the charge brought against Mr Sanjay Gandhi, the younger son of the present Prime Minister, by the former Janata government when it set up official inquiries. The Vaidialingam report, so far as it is known here, would provide Mr Gandhi with an opportunity to give Janata some of the medicine she found so bitter when she was out of power.

Anniversary day pledge given to Sri Lankans

From Our Correspondent
Colombo, Feb 4

Ceremonies in Buddhist, Christian, Hindu and Muslim places of worship marked the thirty second anniversary of Sri Lanka's independence and the second anniversary of the inauguration of the presidential form of government.

A military parade and one by thousands of schoolchildren were staged in the southern town of Matara.

In a message to the nation, President Jayewardene said the positive policies of his government would in the near future bring about better living and economic standards for all.

The food-stamp scheme had provided support for virtually half the population.

Human suffering goes on as rights officials dither

From Our Correspondent
Geneva, Feb 4

In addressing the opening session today of the United Nations Human Rights Commission, Mr Theo van Boven, director of the United Nations human rights division, asked whether they could continue to apply procedures "considerably distant from what is really happening in the world".

Citing the case of Uganda, whose people "for eight years cried out in the wilderness for help" against the former President Amin, he queried whether the commission had not been resorting to expediency on matters of life and death.

He suggested that some of

their procedures were becoming "screens of confidentiality" to prevent cases from being aired in public. In seeking to cooperate with some governments, in checking allegations, they were allowing years to pass "while victims continue to suffer and nothing meaningful is really done".

The United States delegation has indicated that during the six-week session it will lose no opportunity of raising the question of Afghanistan and the exiling of Dr Anastri Sakharov, the Soviet dissident scientist. Mr Walid Saidi, of Jordan, was appointed chairman. The session's agenda gives priority to the question of people who have disappeared, particularly in Latin American countries.

Canada's Tories on climb back

From John Best
Ottawa, Feb 4

For the first time in 17 years foreign policy is a main issue in a Canadian election campaign, and it is one that could save the ruling Conservatives from a disastrous defeat.

The latest opinion poll on the February 18 election indicates the beginning of a trend against the Liberals, the opposition party in the short-lived last Parliament.

The survey, by the CTV network, shows a decrease in support for the Liberals from 51 per cent to 46 per cent in two weeks. Support for the Tories increased from 31 per cent to 33 per cent. The number of undecided voters increased from 30 per cent to 40 per cent.

Mr Joe Clark, the Prime Minister, seemed to be gaining support even before the last week's disclosures about the escape of six Americans from Iran with the help of the Canadian Embassy.

The increase in Mr Clark's popularity was because of his support for President Carter's response to the Soviet intervention in Afghanistan. That response seems to have been well received by Canadians.

In contrast to the Prime Minister's decisive stand, Mr Pierre Trudeau, the Liberal leader and former Prime Minister, has temporized. He described the Soviet intervention as "clumsy" and not acceptable "but at the same time attempted to paint Mr Clark as the villain, suggesting that the Russians would not have dared to move into Afghanistan if the Prime Minister had rallied Western leaders behind President Carter on the Iran hostage affair."

Mr Trudeau has probably damaged himself by failing to support Mr Carter's call for a boycott of the Olympics.

In a speech last week in Toronto he attempted to extricate himself by giving qualified support for the proposal. But his endorsement was so bound by qualifications that it was difficult to say exactly where he stood.

Mr Trudeau may now be facing even more serious trouble. Questions are being asked whether he fulfilled his responsibilities in the affair of the six freed American hostages.

Mr Clark has disclosed that he took Mr Trudeau into his confidence last November and told him about the shelter being secretly provided for the Americans. Yet the parliamentary record shows that Mr Trudeau kept hammering away about the Iran, Iran, during Commons question time, when it should have been obvious that because of the lives entrusted to its care the Government would have preferred to be silent.

The Prime Minister, for his part, is being accused of keying his response to the Afghanistan crisis to domestic political considerations.

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THE TIMES

مكثان الأصيل

SPORT

Football

England's overseas players could miss final build-up

By Norman Fox
Football Correspondent

After years of grudging co-operation between the interests of the Football League and England's national team, it is now, when a relationship has rarely been better, there is a distinct chance of preparations for next summer's European championship finals in Italy being hindered by the absence of two or three players who are based on the Continent.

Keegan (Hamburg), Woodcock (Cologne) and Cunningham (Real Madrid) are likely to be edgewise engaged during the important home international tournament less than a month before the European championship begins and they could also miss the international match against Argentina, the World Cup holders, at Wembley on May 13.

Greenwood, the England manager, said that the strength of the squad that had been built-up over the last two years was such that if any of the players missed the preparatory matches England would not be hurt. However, it is obvious that not an ideal time without Keegan's inspiring captaincy and the attacking ability of Woodcock.

Mr Greenwood could find himself with only one senior international match in which to field the definitive team to carry England's hopes in Italy. The game against Spain in Barcelona on March 25 is becoming the most interesting match in the build-up to the first European championship match against Belgium on June 12. Certainly, it will give more accurate indication of England's chances than tomorrow's last qualifying game against the Republic of Ireland at Wembley.

Mr Greenwood pointed out that Keegan and Woodcock were not "definitely out" of the home international tournament but with Hamburg and Cologne also chasing the league title it was probable that they would not be released. Both have contracts allowing them to play for England but only in World Cup and European championship events.

At least Mr Greenwood could report that the Football League had agreed to ensure that the week of the game against Spain was free from domestic matches. Because of a misunderstanding at least two clubs, West Ham United and Nottingham Forest, had arranged to play each other on the night of the game against Spain at Wembley.

The League's effort prompted Mr Greenwood to say that the relationship with the Football Association regarding the England team was "getting better and better" with fewer obstacles being encountered. He added that the absence of the three players from this week's match was because of a "one-off situation".

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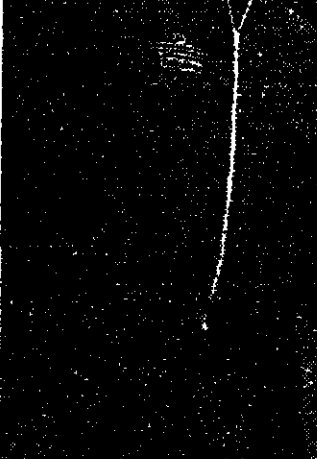
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Greenwood directs West Bromwich's Robson along an England path.

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The team Mr Greenwood is to announce today will almost certainly include Johnson, the Liver pool forward, who won his last cap five years ago, and Sansom, the young Crystal Palace full back. Williams did not train yesterday because of an ankle injury but still hopes to be considered, as does Brookings who has virtually recovered from a groin strain. The Irish received the good news that O'Leary, the Arsenal central defender, would be fit to play, but Murphy, of Crystal Palace, is doubtful.

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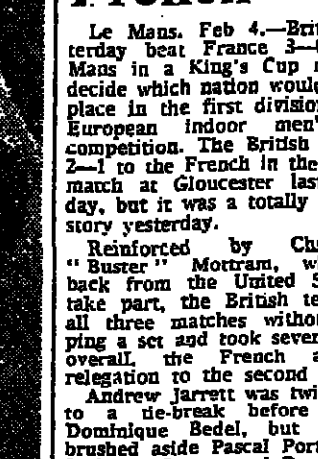


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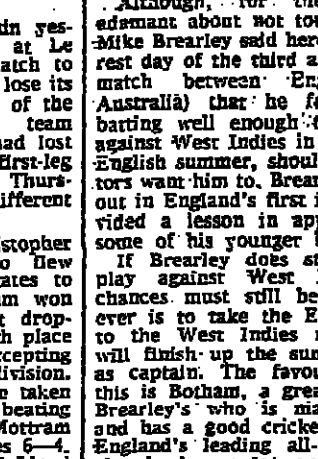


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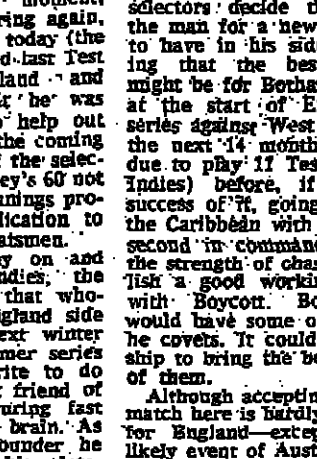


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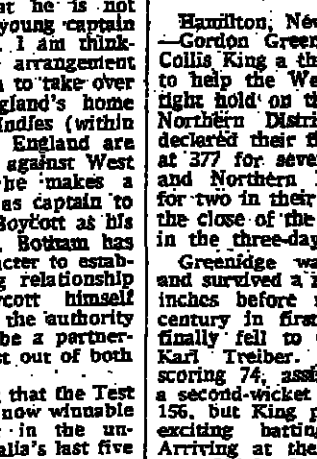


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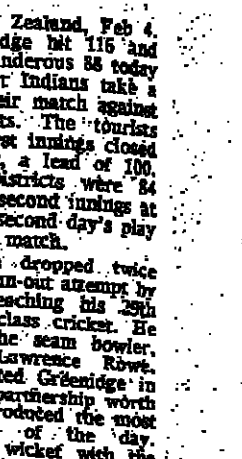


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Robinson breaks rules and is heavily fined

Mike Robinson, signed by Manchester City for £750,000 from Preston North End early this season, has been heavily fined by the club following his comments in a Sunday newspaper that he claimed he had been forced to play when he was far from fit, that his game had suffered and that he had no intention of playing again if he was not completely free from injury.

Another of his comments was: "At one point it seemed City would have picked me even if I had been on crutches and once I had so many vitamin injections I finished up with an arm like a jungle." The City general manager, Tony Book, called Robinson to his office and said afterwards: "As far as we are concerned the claims were exaggerated and distorted. In no way are we prepared to stand for it. Players are told at the beginning of each season that any articles credited to their names will be read by the manager's desk. Robinson has defied a club rule. For his part he tried to get the article stopped, but he failed. Unfortunately he must now suffer the consequences."

Malcolm Allison, City's coach, had intended to leave Robinson out of last Saturday's game with West Bromwich Albion, but changed his mind. Mr Allison said: "It is true that I have played Mike Robinson in a couple of games which wasn't fully fit. Footballers are like men, in all walks of life—sometimes they have to carry on working when they are not 100 per cent."

Second manager: Brighton's first division match with Aston Villa last night was postponed because the Goldstone ground was waterlogged. The game was originally postponed on October 9.

Boxing

Magri puts his No 1 challenger status at risk

Charlie Magri risks his world No 1 challenger status when he meets Alberto Morales of Mexico, in a 12 round world flyweight championship eliminator at Wembley Arena on March 4. All the risk is Magri's. He has everything to lose and nothing to gain for Morales, ranked ninth in the world, will take over his place if he wins.

Magri is realistic about the situation. "When you are where I am," he said today, "every fight is an eliminator whether they call it that or not. Everyone is a contender and if you lose, you're out. Putting a label on a fight does not mean anything to me. The only label that matters is 'world champion'."

This will be Magri's third contest on successive shows in less than three months. He topped the bill at Wembley in December and the Albert Rios fight was the promoter Micky Duff rates him as the biggest attraction in the country. "The two best in recent years," Mr Duff said, were Joe Bugner and Billy Walker, both killed out Wembley (10,600 seats) more than once. "Magri is a much better man than either of them, but if we get him there in a world title fight, and that is the aim before the end of the year, Wembley will be sold out with two weeks to spare," Mr Duff said.

Tony Sibson, of Leicester, who won and lost the British middleweight title last year, gets another championship eliminator fight against the vacant Commonwealth middleweight title against Chisanda Mutiti, of Zambia, over 12 rounds. Lottie Mwalu, the Commonwealth champion, meets Mike Barnard, of the United States, the man who put John Conteh on the floor twice in London last year and only got a draw for it.

Champion retires

Fulham seek reason for Burnley boardroom tiff

Fulham will be writing to fellow second division relegation candidates, Burnley to demand the reasons why their chairman, Ernie Clay, was sacked from the Burnley club's boardroom on Saturday. Mr Clay was sacked from the Burnley club's boardroom on Saturday. Mr Clay was sacked from the Burnley club's boardroom on Saturday.

Mr Clay said at Heathrow yesterday that he was going to London to supervise the reopening of an hotel for the holiday season. "We will be writing to Burnley to find out if it was a board decision or just the decision of a dictator to order me out."

Mr Clay refused to comment on what had been said before Mr Clay was sacked from the Burnley club's boardroom on Saturday. Mr Clay was sacked from the Burnley club's boardroom on Saturday.

Mr Clay, a 40-year-old man, has been bitter rivals for 20 years following Mr Clay's support against the Football League, for the abolition of the 2-2-2 system. Mr Clay was sacked from the Burnley club's boardroom on Saturday.

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Brighton agree terms for McNab

Brighton and Hove Albion yesterday agreed to pay Bolton Wanderers £200,000 for the services of Neil McNab, who will decide whether to move to Brighton's manager, Alan Mullery, will enter the transfer market because of recent injuries to Peter Sayer and Gerry Ryan, which had reduced his current first team pool to 12. McNab joined Bolton from Tottenham Hotspur for £250,000 in October 1978.

Alan Dicks yesterday defended Bristol City's decision not to re-sign Gary Collier, a defender rated at £350,000, from Coventry City after spending part of last season's season at the club. "We have had to say 'no' because of the amount of money involved," Mr Dicks said.

Mr Dicks said that Coventry were prepared to spread the payments but even then we couldn't go ahead because of the financial commitments of the club. "We have had to say 'no' because of the amount of money involved," Mr Dicks said.

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Miss Wade lets slip her opportunity

Seattle, Washington, Feb 4.—The second-seed, Tracy Austin, of the United States, defeated Virginia Wade, the fourth seed, of Britain, 6-2, 7-6 in the final of the \$150,000 women's tournament here yesterday. Miss Wade broke Miss Wade's service in the first and fifth games of the first set.

In the second set, Miss Wade broke Miss Austin in the second and fourth games, then held her own service for a 4-0 lead. However, she frittered it away by dropping the next four games to be pulled back 4-4.

Miss Wade captured Miss Wade's service in the sixth game to lead 5-4, but Miss Wade broke back as Miss Austin served for the match in the next game. The American held two match points, but Miss Wade saved both. The match went to a tiebreaker, which Miss Austin won decisively by 7-1.

"I think Tracy has got a whole lot better in the last 15 months," Miss Wade said after the match. "She really moves her feet around more and changes angles."

Miss Wade said that she had been surprised by the result. "I was amazed at the development and fast sorry for the player," Mr Dicks countered. "I am surprised at what Gordon has said. We did not set out to upset Coventry or the player in any shape or form, but we have got to keep within our cash limits."

Collier, aged 24, was the first player to exercise his rights last summer under the freedom of contract charter. An independent tribunal set his fee at £350,000 after the clubs could not agree, but he has since made only two appearances in Coventry's first team.

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Britain avoid relegation by crushing French

Le Mans, Feb 4.—Britain yesterday beat France 3-0 in the first leg of a King's Cup match to decide which nation would lose its place in the first division of the European indoor men's team competition. The British had won 2-1 to the French in the first leg match at Gloucester last Thursday, but it was a totally different story yesterday.

Reinforced by Christopher "Buster" Mottram, who new back from the United States to take part, the British team won all three matches without dropping a set and took seventh place overall. France accepted relegation to the second division. Andrew Jarrett was twice taken to a tie-break before beating Doucoure. Bedel, but Mottram brushed aside Pascal Pons 6-4, 6-3 and Jarrett and David Lloyd wrapped up an easy doubles victory over Gilles Moretton and Jean-Louis Baillet.

Bedel and Portes, themselves brought back from the North American circuit to strengthen the French team, were unable to produce their best form. Portes threw away a good chance to pull level at one set all when he led Mottram 3-2 and 40-love on the Englishman's service, only to lose set and match. The scratch doubles pairing of Baillet and Portes, however, looked convincing, and gave Lloyd and Jarrett few problems.

Czechoslovakia retained the King's Cup in between last night's best of three between the Czechs and the French. The Czechs won the first leg of the final, Czechoslovakia won the first leg match at Gloucester last Thursday, but it was a totally different story yesterday.

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Fashion

by
Prudence Glynn

We must try harder

Enough of gloom and doom in fashion. If you put your mind to it you should look stunning this season.

Of course there are serious problems for manufacturers and retailers though one might point out that many of them have been on the horizon since 1977 and were clearly visible to those with the right brand of telescope; but then fashion is a notoriously short-sighted industry.

Why whine to Sir Keith Joseph, Secretary of State for Industry, about cheap imports from obliging Hongkong when, if you ask an English manufacturer to put an extra row of topstitching on a garment the answer is, No. One seam, no design. No design, no sales.

No wonder women are either not buying or are "buying safe". What else is there? And what else is there to make of an industry so fragmented and undercapitalized, so lacking in confidence and projection and which is represented in the eyes of government by a body which is self-electing, self-congratulatory and whose latest triumphs have included the sponsorship (helped by your and my money) of a mission to Tokyo.

Most of the participants were cocktail and evening dress producers, although Japanese women buying in this price bracket do not drink cocktails, nor do they go out after six o'clock. The timing, however, was

brilliant. It coincided with a mammoth Japanese fair elsewhere in the city, to which all the buyers went.

The answer is that we can make as much or as little of it as we want and the great danger is now that, having talked ourselves out of Empire, Faith and the Work Ethic we are just about to intellectualize ourselves out of fashion.

How splendid to hear Robert Midgley, chairman of Harrods, that apotheosis of the consumer dream state roundly that we just have to work harder, be more competitive, give better service, better value. Green-eyed ones among retailers will, of course, point out that that sentiment is easier to express by a mogul who can off his customers anything from a black silk stocking to a lawn mower rather than just trying to flog a few frocks. But it is, in fact, a sentiment echoed through all the areas of the trade who know just who their customer is. Money Marks, for instance, whose range designed by Anne Tyrell for John Marks can be counted in dozens at any night our function. He thinks we have to work harder, too.

Then, there has arisen this spectre of poverty, yet the best selling overcoat this non-winter has been either a camel classic at £173 or a heavy knit plus fake fur calf length job at £125. It is possible that people are buying them to offset fuel bills, of course.

But it is an ill wind, etc, so by now I trust you have in your wardrobe a narrower, shorter skirt, an expensive-looking shirt, a jacket with a strand, triple-seamed collar, wrist-length gloves, a hat by Bermona and for late

day, a camisole dress with a shirred waistline and a soft jacket to fling on the back of chairs as the evening wears on or off, as the case may be. And all at thrifty prices, too. Never have there been such bargains if you know what you need.

Colours
Solid blocks of plain colours juxtaposed in unusual combinations. Good together; black skirt, scarlet shirt, white jacket; claret with grey; toffee with grey and claret; white with cream with emerald; royal blue, scarlet and yellow; scarlet with grey and black.

You need to be a bit careful wearing claret if you have a typically fair English skin. It can make you look very wan, so adjust your makeup accordingly.

Boring neutrals are out. I rather like sage green (not for makeup), which is flattering, but do not wear too much of it at once—for instance, not a coat. When I was in Australia and America the difference which most struck me was the quality of light which absolutely demolishes our gloomy fog-bound ideas of tone. It also demolishes our experts: "We love your look and your quality" say the stores "but your colours are just drab."

Proportions
Absolutely crucial in putting together the new look in separates. Prepare to knock, knees unrevealed for a decade, because you are going to be on view. Not in those silly *tu-tu*s which Paris showed a year ago, but certainly for the bold sports-fashion-orientated in the form of a brief knit mini and, far more important in mass market terms, skirts are just simply getting shorter.

The best length jacket to wear with them (do not forget the contrast colour) is mid thigh length—certainly for outerwear—or the newly revived short bolero jacket.

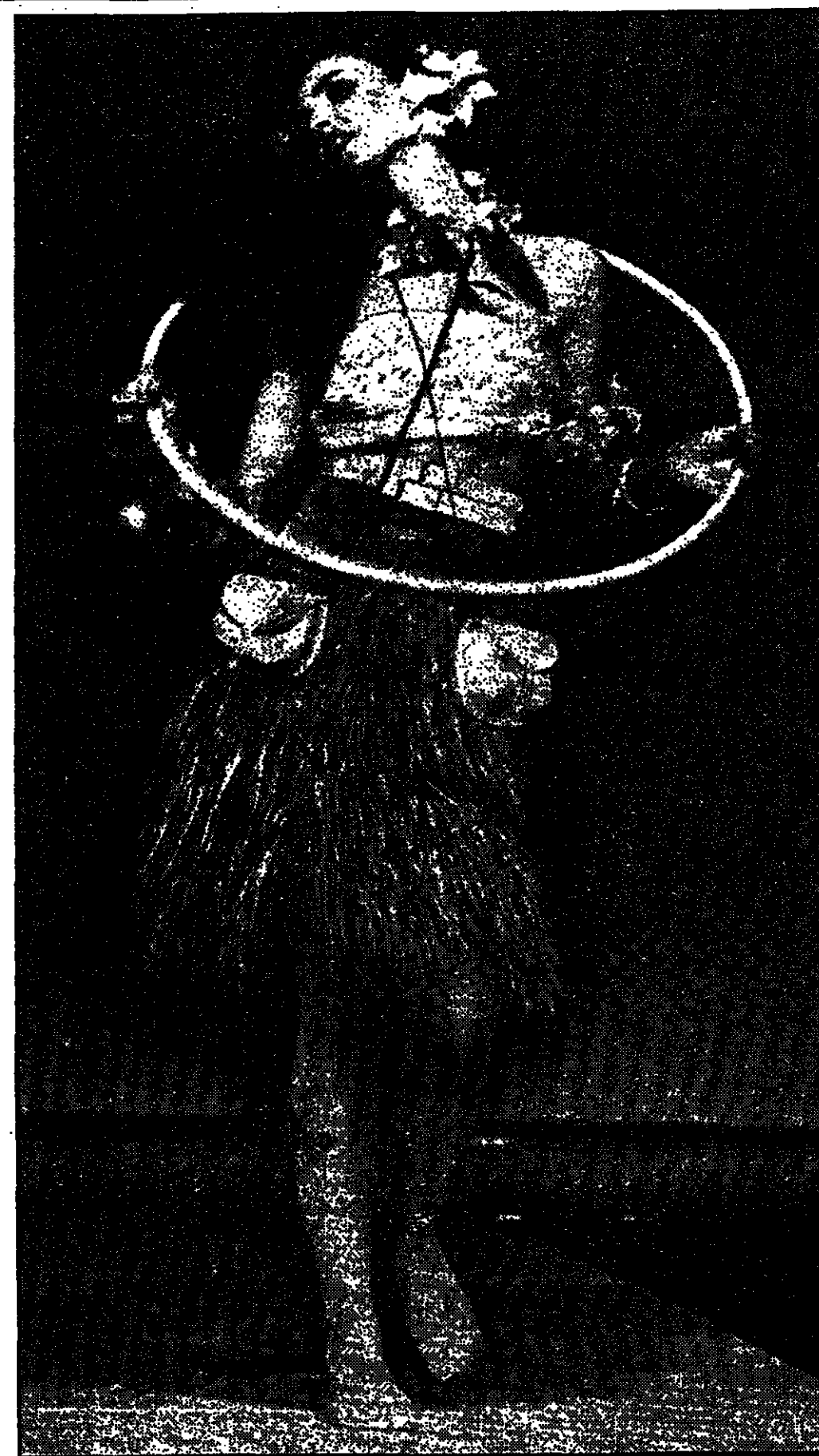
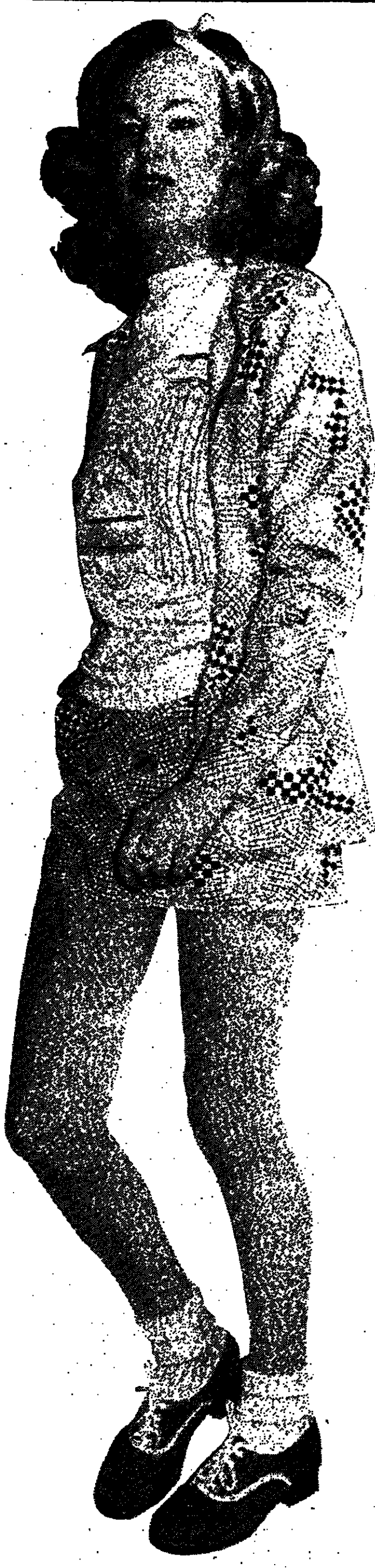
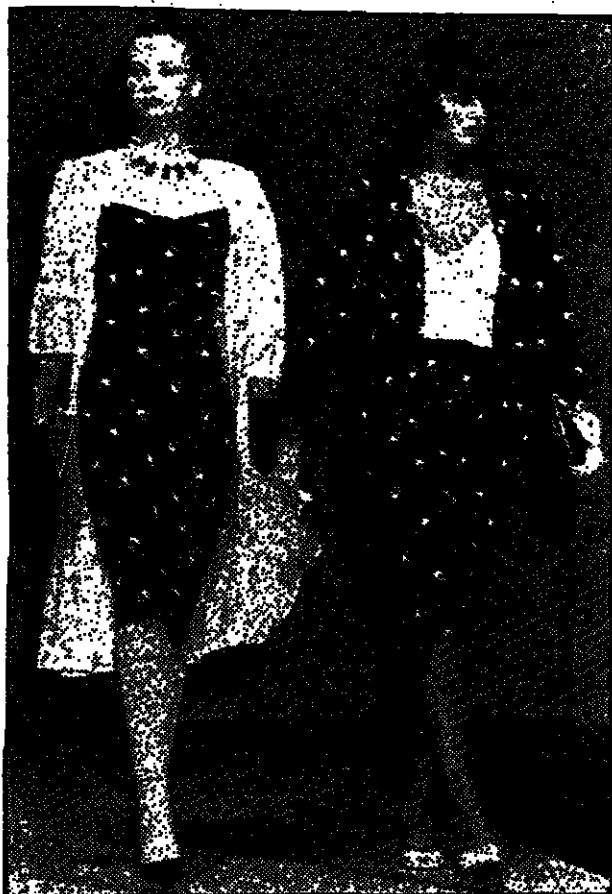
Before the last war there used to be called bridge jackets, presumably because they were worn to prevent pneumonia in unheated country houses while you sat around for hours waiting for your partner to call dummy, or whatever it is one does in bridge. Anyway, these little jackets should be knitted, and brilliantly patterned, probably shot through with lurex. Solid figures will prefer the sleeveless, collarless classic bolero shape which hides a multitude of sins and balances a multitude of larger lower halves. The dashing should go for the masador cut, much shorter, with peaked shoulders to enhance a nice neat waist.

Yes, I fear you are going to have to have a waist.

What is much worse, you are going to have to have one, if at all possible, without benefit of substantial foundation garments.

I suspect that underpinnings, or the lack of them, are going to be a major source of concern for women this season. So many of the pretest clothes are so very sheer, wherein lies their charm.

It is a conundrum, and at the risk of being accused of dodging the question, the only advice I can offer is that you at least try these new soft shapes. The lingerie people at all prices are much more in tune with fashion than they used to be and you can probably get a slip to follow the contours and the colour of the dress. When in doubt, don't.

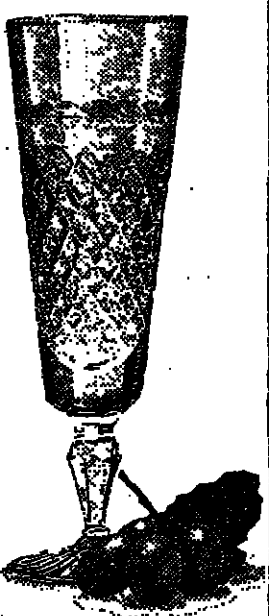


Tomorrow sees the launch of an ambitious and long overdue venture in the promotion of British Fashion. The London Midseason Collections will run for three days at what used to be the Rainbow Room of Derry and Toms then Biba and is now termed the Kensington Exhibition Centre, in Kensington High Street. Sponsored by the Clothing Export Council and Drapers Record, this first actual fair for midseason topping-up is planned to be a twice yearly event. Just short of ninety exhibitors are there to provide fashion for now.
Photographs by Barry Sealie

Above: One way to show accessories: bags, flowers, belts, beads by Sarah-Lou

Left: The All-American leisure look
Abstract print mini skirt, wind cheater, T shirt. By Paul Howie

The one to pick



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Top left: The cool, wearable look. Black print crepe, white print crepe. Terence Nolder for Quorum.

Top right: Red seersucker flamenco dress. By Strawberry Studio.

Above: The important sports look. Knitted shorts, top. Worn with ankle socks (which do not have to match one another).

THE LONDON COLLECTIONS

Magazine

Are You Wearing Art?
The Positive Face - Wait for It!
London - Paris - Milan Fashion
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ON SALE FROM W.H. SMITH & SON AND YOUR NEWSAGENT

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VOL VII No 3
AN ECONOMIC MONTHLY PUBLISHED IN
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WEST GERMANY AND ITALY

Michel Boyer looks at the world trade triangle

The Third World, where East meets West

For many years East European leaders and Western businessmen have established commercial and financial ties which, in the absence of any questioning of the economic model, have been made both more necessary and more vulnerable by the crisis. The former need the machines and technology which make the factories of the latter run. However, this apparent balance of mutual interest has resulted in a trade deficit for the controlled-economy countries so that, having first increased their indebtedness, they have been obliged to buy West.

East-West cooperation has engendered a sort of complicity between the leaderships of the two camps but, if proof were needed, recent events have shown that it does not preclude international confrontations and conflicts, contrary to the beliefs of those who think that trade brings people together and makes for peace. Charles Levinson, the international trade unionist, offered a very critical appraisal of this type of cooperation in a book called *Vodka-Cola* which was a curious blend of detective novel and economic analysis.

The Third World has also provided the scene for industrial cooperation, whether or not described as "redeployment". While playing on their absence from this Western-Third World dialogue to place the blame for its failure on neocolonialism, the Eastern block countries have been involved in tripartite industrial operations in which they and Western companies have built factories in developing countries. This type of cooperation has been analysed on the basis of 192 case studies in a report submitted by the Bureau d'Informations et de Prévisions Economiques (BIPE) and the Ecole des hautes études en sciences sociales, called *The role of East European countries in the international division of labour*.

The Third World accounts for about 15 per cent of the exports and 11 per cent of the imports of the countries of Eastern Europe, but the latter have lost ground over recent years and account for less than 7 per cent of the imports and 4 per cent of the exports of the developed nations. Between 1970 and 1975 East European imports from the Third World rose more rapidly than exports—a reversal of the

trend recorded between 1965 and 1970. The controlled-economy states, which use their surplus with the Third World to offset their deficit with the West, have accordingly endeavoured to resolve their difficulties by resorting to three-sided cooperation, an enlarged reproduction of East-West industrial cooperation, the main development of which has been seen since 1965.

The report points out that, in practice, tripartite industrial cooperation "does not seem to reflect the vicissitudes characterizing the fortunes of détente". This is for the two reasons that "the field of action is primarily micro-economic" and therefore below politics, and that "industrial redeployment is perceived as a necessity".

Ideological considerations have been relegated to the background. Appearances are kept up, but that is all. Unacceptable in ideological terms, East-West-Third World cooperation is greeted by silence in the Soviet press, which maintains its traditional denunciation of Western exploitation of the Third World. It is the subject of no official comment in Russia, although the situation is different in other Eastern block countries—namely Poland and Hungary—which together account for more than half of the transactions of this type in which the Eastern block is involved.

Nevertheless, the Soviet Union, after a period of "mis-trust tinged with embarrassment", has shown increasing interest in a formula now tested in the field by its satellites.

Western engineers and East European firms have cooperated in the construction of industrial complexes in many countries, with the greater or lesser assistance of local companies, projects which bear no relation to political objectives. Logically enough the oil-producing countries of Algeria, Iraq, Iran and Kuwait have been the site of a high proportion of these three-sided transactions.

There have been a number of large capital projects (hydro-electric for instance) in Latin America, but there have been fairly few in Africa (in countries such as Nigeria, Cameroon and Guinea), since the latter side of the triangle is the sphere of influence in that part of the world. In Asia this type of activity has been heavily concentrated on India.

Rising hydrocarbon prices

have made for an increasing volume of recycled petrodollars to finance a greater number of projects. As three-cornered operations, they entail, on one hand, normalization of international relations and, on the other hand, international standardization of methods. However, although détente has allowed such projects to flourish, they do not necessarily help to promote détente.

Moreover, as the report points out, both East and West are concerned to "maximize their gains or minimize their losses". The third corner of the triangle, the Third World, is "perceived as the customer rather than as a partner". This activity is essentially "both economic and political" in that it offers each side opportunities for extending its sphere of influence. Tripartite cooperation can be advantageous to each camp by giving it a foothold in the other's sphere of influence, a "politico-psychological line" which does not even have to be advertised.

In fact it is the more prosperous countries of the Third World (those with raw materials and energy resources) in the Western sphere which actively seek three-cornered cooperation. Some have concluded, perhaps a little hastily, that it can only serve the purposes of Eastern block expansionism.

Another feature of these transactions is their tendency to "demobilize" the country which is the third party involved. Eastern block undertakings which spectate in factory construction offer very low prices accompanied by exceptionally soft financial terms amounting to a form of dumping which induces the developing country to go for immediate returns rather than effective participation which becomes profitable only in the longer term.

This, then, is not real cooperation, but East-West action in the third country, especially since the industrial complex that they build is more likely to produce for export markets than to make a positive contribution to the industrialization of the country concerned. Thus Eastern and Western imperialism are combining to accentuate the dependence of the developing countries.

* The value of projects completed by summer 1975 under tripartite cooperation agreements was \$35,000m.

North Sea oil has enabled Britain to combine a high inflation rate with a strong currency, to the detriment of British exports, says Sir Ian Gilmour, Lord Privy Seal and, in effect, deputy Foreign Secretary. Although he has

written two books on Conservative thinking, and was formerly editor of the weekly "Spectator" magazine, Sir Ian is exceptional among politicians in being a man of few words. He talks here to Roger Berthoud

Budgetary reform would absolve the scapegoat

Have you always been what could be called a good European?

I hope so.

Even the best Europeans in Britain are nowadays critical of certain aspects of the EEC. Do you see any advantages in this slightly depressing form of reduction of the gap between the pro and anti factions?

No. No institution is perfect, and there are obviously aspects of the EEC which it is right to be critical of. When we, as I hope, get our budget problems solved, I think you will find the beginnings of a new attitude. One tends to forget that at the referendum (of 1975) on EEC membership, two thirds of the country voted for Europe.

Before last year's general election, the Conservative manifesto promised: "The next Conservative government will restore Britain's influence by convincing our partners of our commitment to the Community's success." Do you think the Government has made much progress towards that end?

I think we have made progress. They do realize we are totally committed to the Community, and dealings with us are more fruitful for the Community, and for us, I think, than they were under our predecessors. But of course we have not been there very long yet, and the budget has taken up a lot of our effort.

What sort of a leading and constructive role, to quote the manifesto again, would you like to see Britain playing in the EEC?

A leading and constructive role in political cooperation and also in restructuring the budget and making it a more rational thing; and dealing with the excesses of the Common Agricultural Policy.

You have written in your most recent book that patriots need not exclude internationalism. But given the problems besetting Britain and the EEC, is there any hope of rekindling enthusiasm for the European idea?

I think so. Only partly through fault of its own, Britain missed the greatest period of the Community during the 1960s. As a result, the period we have been in the Community has coincided with the period of world slump and inflation; and, largely, with the unsuccessful Labour government. Therefore people have tended to associate these things with Europe. So I think in the future, once we have begun to put our own house in order and to solve our budget problems, the European idea will take on a very different hue.

You think the British tend to blame the EEC for their own shortcomings?

Yes. There is a scapegoat element? Everyone has a scapegoat: more than one, usually. The EEC is one.

How closely-knit an EEC would you like to see?

I do not believe in working towards an indestructible government for its own sake. I think the EEC is something unique, sui generis. Therefore I do not believe we should think either in federalist or confederalist terms.

Is the present confrontation between the super-powers a factor in the EEC's problems? The political benefits of Britain belonging to the Community?

Yes. What has happened in Afghanistan reinforces the need for Western unity, and Britain being in the Community is a necessary part of that unity.

How have our partners viewed the British Government's efforts, in which you were heavily involved, to guide Rhodesia to independence?

I think they regard them favourably, and are relieved at what has happened. The Commission has been particularly helpful over Rhodesia. As a result of their efforts, the Council of Ministers has agreed to a favourable trading agreement with Rhodesia, giving it the privileges of being a dependent country. It will get free access for its tobacco, industrial products and so on.

To come to the negative side: are we any nearer to a solution of the problem of Britain's excessive budgetary contributions?

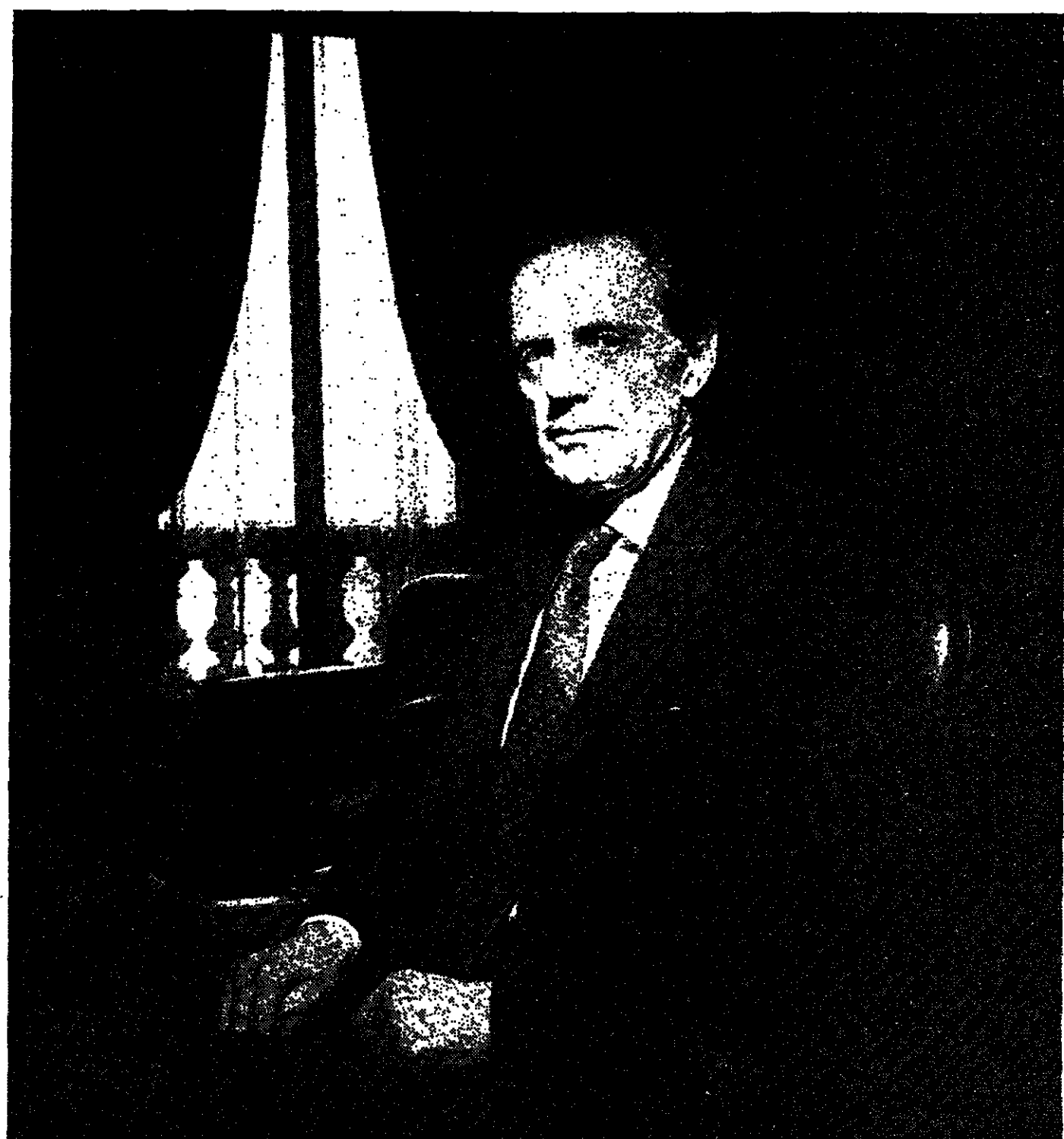
The Dublin Council pointed the way forward. On the contribution side, £350m was suggested, though not finally agreed, and the Dublin Council has asked the Commission to find ways of increasing Britain's grossly inadequate receipts from the Community. In other words, it is necessary for the Community to spread far more money in this country.

What sort of a package are we looking for?

We are not looking for a package. We are just looking to solve the problem. The Prime Minister has said we are seeking a genuine compromise but do not have great room for manoeuvre.

Given our good fortune in having North Sea oil, do not some of our partners find our pleas of poverty unconvincing?

continued on page III



Clive Arrowsmith

But it helps the balance of payments?

It does in one way, by stopping us having to import so much oil. But by forcing us to have our currency so artificially high, it hurts our exports very much.

Do some of our partners think we have been cashing in on the Opec price rises?

I think there was some misapprehension about this, but less so now. North Sea oil has to be sold at market prices. If it is not, somebody else is going to sell it at market prices. In other words, some dealer is going to make a great deal of money out of it.

With the CAP's surpluses at the heart of the budget problem, why has the British Government seemed to be so hostile to the Commission's attempts to reduce the surpluses, as in the dairy and sugar sectors?

We have not been hostile to their attempts. It is just that we do not believe some of the methods they proposed to be well suited to the problem. Indeed the dairy levy, as originally proposed anyway, would have damaged Britain very badly.

Do we, like Mr Heath's Government in 1973, favour a larger regional development fund as a corrective?

Yes. We favour, in the restructuring of the budget, a larger regional fund and smaller funds elsewhere.

Take from CAP and give unto regional, so to speak?

Yes. Are we looking for a new type of Community policy, one which benefits Britain exclusively?

That is one way of doing it. Otherwise, if you are going to spend funds everywhere, you are going to run right through the 1 per cent (of VAT) limit. If the problem is lack of receipts in Britain—which it is—you can deal with it only by increasing receipts in Britain. Isn't that non-communautaire?

No, because the money should be spent on communautaire purposes.

Is it not really our fault that we import too much and export too little?

If you say we import too much in general and export too little, yes. It's the result of our economy being in decline. We have not produced enough, and have been buying too much. But it's not true vis-à-vis the Community. There has in fact been a considerable change in the pattern of our trade in the last 10 years or so. Imports from the Community have gone up from 26.1 per cent to 38 per cent. So there has been a considerable reorientation of trade. Largely agriculture, is it not?

A lot of it is agriculture, yes. Our main budgetary problem, though, does not stem from that. It stems from getting less than half of the Community's average receipts per head. That is nothing to do with re-orientation of trade, it is merely to do with the CAP and

Debts mount as growth continues

We enter the decade of the 1980s with a world dominated by inflation psychology. Inflation continues to be the major concern of most monetary authorities and is considered to constitute the most serious threat to the citizens of individual communities. In Britain inflation is believed to be heading for a 20 per cent peak during the first half of 1980. In Italy and France inflation rates are 17 per cent and 11½ per cent respectively.

While only the United Kingdom, Italy and France are struggling with double-figure inflation, lead economic indicators in other major economies seem to be joining the struggle as 1980 progresses against a background of rising oil prices and monetary growth targets that are being exceeded in one country after the other.

Since the depression of the 1930s there has been a phenomenal rise in the global debt structure while, over the past two years, that rise in the debt structure has spilled over into consumer areas. The rate of increase in debt has outstripped production by a wide margin while consumer debt margins while consumer debt is now growing at levels which far exceed income growth throughout the European community.

It would be totally unrealistic to expect such heavy consumption of debt, both in the international and in the domestic consumer areas, to continue for much longer. It would also be foolhardy to believe that interrelated government policies are suddenly going to emerge that will pull the world economy out of its self-feeding malaise. Today's global imbalances have resulted from several decades of excessive and unwise actions. Further interference from any central government will only hinder the necessary free market correction.

Most economic advisers have come to the conclusion that, in order to curb inflation, monetary growth must be restrained. Conventional wisdom and classical monetary theory indicate that the way to exercise monetary restraint is through the interest rate mechanism. As a result, inflationary madness in Europe and elsewhere has led to a competitive war of interest rates. Most notable was the 3 per cent rise in the United Kingdom minimum lending rate while the Central Bank discount rates were also raised. In Norway and Sweden interest rates in the United States, France and Germany appeared to be stabilizing, but interest rates in other areas were trending distinctly higher.

Yet, in spite of record interest rates and the extensive use of the interest rate mechanism, money supply in most of the major economies continued to grow. In the United States, it appeared to be financing inflation rather than curbing it. In Britain the monetary aggregates were clearly out of control. Although there was a slight improvement in the November banking figures, the October figures were nothing short of disastrous. The short annualized growth of sterling M3 stood at 24 per cent while the growth in bank lending to the private sector had reached the excessively high figure of 35 per cent.

Elsewhere, monetary growth was more restrained but led economic indicators in the world's major economies continued to suggest that inflation would go higher before it goes lower, necessitating more restrictive monetary policy. Quite simply, the level of world economic activity has not yet slowed sufficiently to constitute a generalized peak in interest rates and no country in any part of the globe can yet afford to revert to easy money policies without bringing on a severe decline in the external value of its currency.

Adding to the difficulties are rising oil prices. Non-oil exporting OECD countries will be among the worst affected by a global recession but far more serious will be the effects on non-oil lesser developed countries. In 1979, current account deficits of the non-oil lesser developed countries will exceed \$45,000m. Recent Opec price rises threaten to push that deficit above \$60,000m in 1980.

While IMF funding is available to these countries, a condition of such funding is frequently currency devaluation. This has never been considered a wholly satisfactory means for correcting lesser developed countries' current account deficits. It is difficult for export and import volumes to respond effectively to devaluation.

The net result of devaluation tends to be a higher level of inflation without the requisite improvement in the balance of payments. Lesser developed countries can therefore be expected to avoid IMF funding wherever possible, which will mean increasing pressure on Eurocurrency markets which are already showing severe strains and illiquidity.

Furthermore, as a result of the crisis between the United States and Iran, the threat of a global banking crisis is more

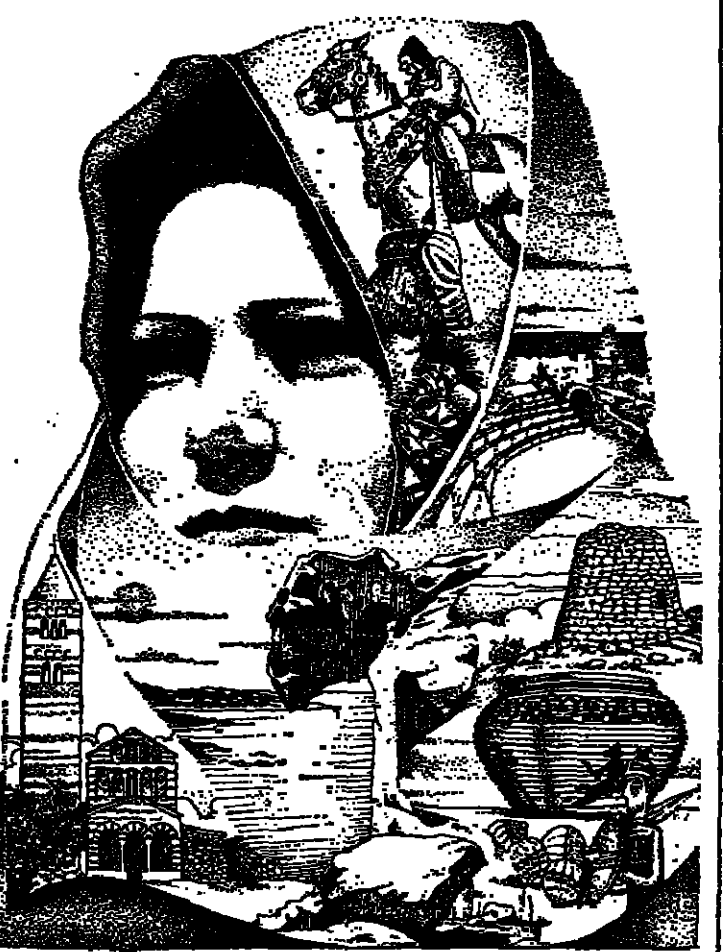
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Balance of payments position worsens

	quality of growth	maintenance of growth	oil price rises	Japan yields to pressure from its trading partners (who were irritated by its recurring surpluses) by agreeing to adopt a wide range of measures (such as imports of strategic materials) which are now adding their effects.
	prices	unemployment	productive capacity	foreign trade
GERMANY	●●●●●	●●●●●	●●●●●	●●●●●
FRANCE	●●●●●	●●●●●	●●●●●	●●●●●
ITALY	●●●●●	●●●●●	●●●●●	●●●●●
BRITAIN	●●●●●	●●●●●	●●●●●	●●●●●

With the oil price increases beginning to bite, attention is once again focused on balance of payments positions. In the four European countries visible trade balances have been deteriorating.

This has been going on for nearly a year in West Germany and since last May in France. It is a more recent phenomenon in the case of Italy, which suffered a record deficit in November, although the statistics are distorted by the effects of strikes.

The countries with strong economies, West Germany and Japan, which have been producing exceptional surpluses to the irritation of their trading partners, are now much less well placed. West Germany's visible trade surplus has been eroded considerably, to only DM21,700m for the first 11 months of 1979, against DM37,400m in 1978.

But a much more significant figure, which is unfortunately published less frequently, is the current account balance of payments, which includes not only the visible imports and exports recorded by customs statistics, but also invisibles (services and so on), which are an increasingly important factor in the overall balance. There the deficit recorded so far for 1979 is almost DM9,000m, according to Herr Karl Otto Pöhl, the new Governor of the Bundesbank, it is likely to amount to DM12,000m for the full year, the first such result since 1960.

What accounts for this reversal? Herr Pöhl attributes it to the rising cost of oil imports, which exceeded DM50,000m in 1979. Oil has indeed been a factor here as elsewhere. West Germany is less dependent on imports of energy supplies than France, and still less than Italy and Japan, but the effect of rising oil prices has been so great because there was no repetition of the pattern in 1978 when the rising exchange value of the Deutsche mark helped to offset higher oil costs.

In 1979 activity in West Germany was appreciably more buoyant than in the other industrialized countries, as is borne out by the most recent official statistics showing a 4.4 per cent growth in gnp (compared with 3.7 per cent in France and 2.3 per cent in the United States) which caused imports to rise more rapidly than exports.

In Japan the deterioration has been even sharper. The trade balance is heavily in deficit, with a record \$2,000m in November, and according to Mr Haruo Miyakawa, Governor of the Bank of Japan, it is likely to get worse during 1980. As for the current account balance of payments, it shows a \$9,000m deficit for the first 11 months of 1979, against a \$15,000m surplus in 1978.

Here again, higher oil prices naturally get the blame, although Japan has succeeded in reducing its heavy dependence on energy imports, as was pointed out in a recent report by the Japanese Ministry of Industry and International Trade. But other factors have undoubtedly contributed to this decline, as in the case of West Germany.

The first of these is the sharp fall in the exchange value of the yen, which has lost over 30 per cent against the dollar, causing a proportionate rise in the cost of oil imports. The oil account has been further increased by unofficial buying on the part of Japanese companies, said to be the biggest speculators on the free markets in Rotterdam and elsewhere.

The second factor was the growth rate for 1979-80 which, at 6 per cent, was the highest in the industrialized world and boosted imports. Finally, just before the announcements of

oil price rises, Japan yielded to pressure from its trading partners (who were irritated by its recurring surpluses) by agreeing to adopt a wide range of measures (such as imports of strategic materials) which are now adding their effects.

Paradoxically, the less strong economies and even those rated among the weak have fared relatively well in absorbing the impact of the oil price rises. The case of France is particularly interesting to analyse. Despite an increase in energy expenditure from 62,000m francs in 1978 to 83,000m francs in 1979, that country has managed to keep its deficit down to 10,000m francs in 1979. It achieved this by dint of a notable 20 per cent increase in exports, a performance which placed it just ahead of Japan, as the world's third largest exporter.

The November and December results came as a pleasant surprise, even to M. Jean-Francoise Deniau, the Minister for Foreign Trade. In contrast to West Germany, France had a balance of payments surplus of some 10,000m francs in 1979 which it owed to its invisible earnings (large construction projects, engineering and so forth). This strengthened the franc and consequently blunted some of the effect of the oil price rises. Matters were admittedly made easier by a slower growth rate than West Germany's, but this does not detract from the merits of such a return to the virtuous circle.

Italy too managed to sustain a succession of satisfactory performances through most of 1979 and, moreover, these were rather surprisingly combined with a high level of activity reflected by an increase of about 4.5 per cent in gnp. The best results were obtained on the current account balance of

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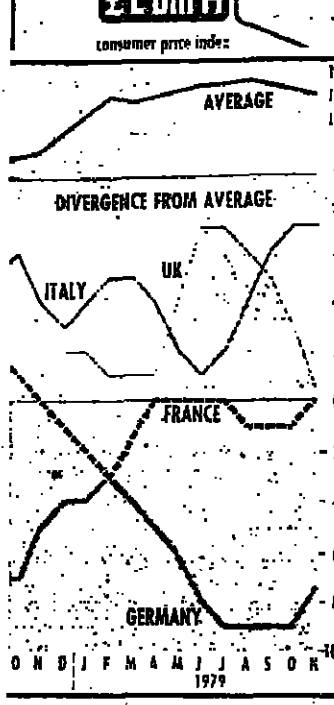
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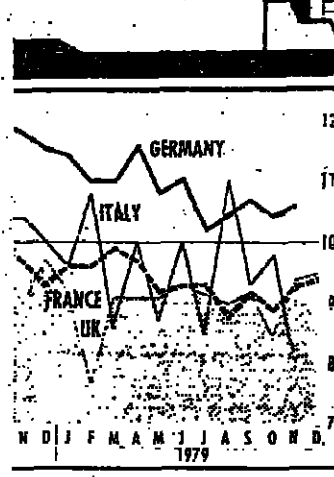
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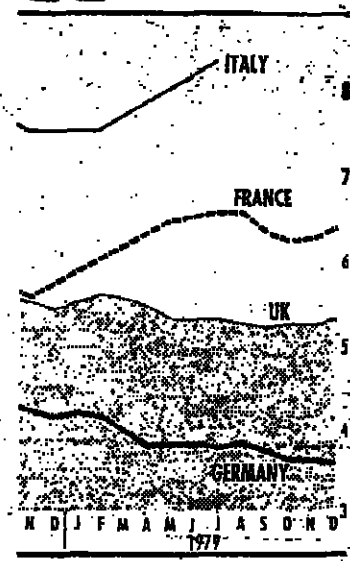
PRICES



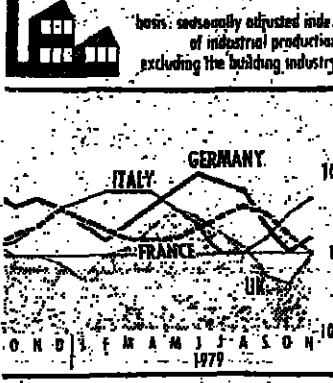
FOREIGN TRADE



UNEMPLOYMENT



INDUSTRIAL GROWTH



Prices: The average inflation rate for the four European countries has registered a further fall, from 12.5 per cent to 12.1 per cent. The main credit for this improvement goes to Britain, whose rate has come down to 13 per cent. There has been no change in France (12 per cent) or Italy (20 per cent), but West Germany has suffered a sharp increase from 3 per cent to 4.5 per cent. These rates are calculated on the basis of the past three months. The year-on-year figures are 5.7 per cent for West Germany (or 5.4 per cent using the new index), 11.8 per cent for France, 17.3 per cent for Britain and 19.8 per cent for Italy.

payments which, with the contribution of tourism, will probably show a surplus of 12,000m lire for the year. The lira's exchange rate against the dollar remained stable for many months.

Unfortunately Italy has not shared France's success in sustaining its return to the virtuous circle. It has been blown off course by the new round of oil price rises, to which it is particularly vulnerable, being so dependent on imports. The lira is now more fragile and the economy is under threat, as with

Foreign trade: Cover of imports by exports (calculated fob/cif and seasonally adjusted) improved slightly in France from 83 to 94 per cent and Britain (from 94 per cent to 95 per cent) between November and December, and in West Germany (from 104 per cent to 106 per cent from October to November). Italy, on the other hand, suffered a sharp fall from 99 per cent to 82 per cent, with a record deficit of 1,500,000m lire in November.

ness the results for November, when there were deficits of 15,000m lire and 4,500,000m lire respectively on the current account and the trade balance.

Britain, for all its increasing oil output and the prospect of self-sufficiency in 1980, has not seen an improvement in its external position. Between 1978 and 1979 its trade deficit fell from 13,400m to 12,200m, but its current account balance of payments deteriorated from a surplus of 710m to a deficit of 2,420m. This disappointing development is largely attributable to invisibles, whose contribution was running at more than £100m a month in 1978 but has fallen by half or more.

The authorities ascribe this fall to the excessive British con-

Unemployment: Between November and December seasonally adjusted unemployment expressed as a proportion of the working population fell further in West Germany from 3.6 per cent to 3.55 per cent, but rose appreciably once again in France from 6.25 per cent to 6.35 per cent and by a smaller margin in Britain from 5.25 per cent to 5.3 per cent. Italy achieved a marked improvement between the third quarter (8.3 per cent) and the fourth (7.6 per cent).

tribution to the EEC and payments to the foreign companies involved in North Sea oil operations.

More recently the trade balance has suffered from a decline in exports under the combined effects of strikes and the erosion of British products' competitiveness by rampant inflation, coupled with a sharp rise in the exchange rate of sterling. British employers are worried and their concern is reflected in the distinctly protectionist appeal which they recently addressed to the EEC.

In 1979 European countries, even the weaker ones, managed to maintain their external positions. Their task promises to be much more difficult in 1980,

Growth rates: Between October and November the industrial growth rate was unchanged in France (11.1), recovered slightly in West Germany (2 per cent) and accelerated in Italy (7 per cent). In Britain it has recovered after the decline of previous months.

not only because of the higher cost of oil resulting from the increases announced before and after the Opec meeting in Caracas, but also in view of the likelihood of new offensives launched by countries seeking to reduce their deficits.

Already the United States, whose products have been given renewed competitiveness by the undervaluation of the dollar, has improved its position and has announced its first current account balance of payments surplus in three years—almost \$1,000m for the third quarter of 1979.

Japan for its part, aided by the weakness of the yen, will undoubtedly launch a new export drive. It is bound to be a hard struggle, particularly in view of the difficulties already being experienced over the recycling of petrodollars and their consequences on the financing of deficits.

Maurice Bommensath

Unemployment and moonlighting

Two in three pessimistic about work

The European employment pool may be said to be either half empty or half full. Out of a multinational sample of 9,000 people interviewed in a survey* conducted by Mme Helène Riffault on behalf of the directorate-general for employment and social affairs of the Commission of the European Communities, 13 per cent had been unemployed and a further 36 per cent had seen unemployment in their immediate circle between 1975 and 1978. So almost one European in two had had some experience, either direct or indirect, of unemployment.

About two thirds of the population between the ages of 20 and 30 were affected and half of those older than 60, but only one person in 10 between 34 and 60. These are high figures. Circumstances and attitudes to unemployment vary from one country to another. Although two Europeans in three were pessimistic about employment in their region, their views varied widely depending on where they lived. Morale was generally good in West Germany, fair in Denmark and The Netherlands, poor in Italy and very poor in France. These differences can be accounted for not only by economic but also by political and social considerations which differ from country to country.

It is estimated that 26 million people in the Community have had experience of unemployment or unsuccessful job-hunting over the past three years. Of these, about 40 per cent remained in this predicament for a year or more. The proportion is particularly high in Britain, the Republic of Ireland, Italy and France. Today out of every 10, four have found employment, two have given up and stopped looking (three quarters of these are women, of whom a third are breadwinners), and the remaining four are still seeking employment.

There is widespread criticism of unemployment benefits on the ground that they encourage people not to work. Mme Riffault has tried to clarify this in her survey. Two thirds of the Europeans interviewed said they knew or had heard of people who were registered as unemployed, but who would be keen to work if they could find a job.

The country where the view that there were abuses on one side or the other was expressed most frequently in The Netherlands, followed by Italy. In none of the countries, however, was there any great difference between the opinions of those who had never experienced employment difficulties and those who had.

*Unemployment and job-seeking: European public opinion and attitudes. Results and analysis of a survey carried out in the countries of European Communities. Commission of the European Communities. Study 78-31. The European Omnibus, Brussels.



Unemployed youths in West Germany; job availability often does not measure up to their aspirations.

More than a third of the people who had gone through a period of unemployment or unsuccessful job-hunting during the past three years said they had never received any unemployment benefit or other financial aid from the public purse. Analysis of the replies of those people who said they had been without work for a year or more shows that a smaller proportion of them than of the others who had been unemployed actually registered, and that they received less benefit.

Until now there have been no statistical data on the extent of practices such as moonlighting and informal work in the Community. Judging from the experience of the public as reflected in this survey, informal

work is almost as widespread as overtime, and moonlighting is not uncommon. Opinion is divided on these practices. It is broadly in favour of overtime, distinctly hostile to moonlighting, and almost equally divided on informal work. Those with experience of unemployment are no more hostile than others to either moonlighting or informal work, but they are much more firmly opposed to overtime. Italy is the country where these practices are most widespread, although most workers were hostile to them.

In Ireland and Britain, which follow immediately behind Italy on this score, opinion is strongly in favour of overtime and less hostile to moonlighting. West Germany is strongly in favour of informal work and it is the country where moonlighting is least common. France is apparently the country where these three formulas are least widespread; opinion there is decidedly hostile to moonlighting, broadly

against informal work and in favour of overtime. It is widely agreed that it is bad advice to recommend the unemployed to seek informal work or to compromise on the type of job they hope to find and that it is better to encourage them to learn a new trade and moderate their demands.

Women and young people are worst affected by unemployment. Discrimination by employers against women is most marked in West Germany, Italy and Denmark. The main reason quoted in Italy, West Germany and Luxembourg was the decline of industries employing a high proportion of women, whereas in Britain, The Netherlands and France it was their lack of training. In Belgium, by far the most common explanation was that many women considered themselves better off drawing benefit than working.

Regarding youth unemployment, one reason predominates: employers' preference for recruiting employees who

already have experience. But the failure of available employment to measure up to the aspirations of young job-seekers is another widespread difficulty, especially in West Germany. In Italy, France and Denmark employers' reluctance to create new jobs is an important factor. In Britain some of the blame is attributed to the lack of vocational training both for the young and for women.

The worst things for some are unable to find work are the lack of income, the loss of self-confidence and the prospect of family difficulties. Fear of social opprobrium is extremely rare. The possibility of being ill-judged by friends and acquaintances counts for little. As Mme Riffault writes: "It would be interesting to have access to answers to the same question asked 10, 25 or 50 years ago to be able to measure the development in attitudes on this aspect."

Jacqueline Grapin

A look at commercial organizations

How help is given to keep foreign trade flowing

The total value of the foreign trade of the four leading powers in the European Community—West Germany, France, Britain and Italy—now exceeds \$600,000m a year.

This figure covers at least a quarter of all world trade and, where exports alone are concerned, corresponds on average to about 22 per cent of each country's gross domestic product, from 16 per cent—the lowest figure in the case of France, to the top figure of 23 per cent in the case of Italy (OECD figures for 1978). Yet only two of these four countries, France and Italy, have a Ministry for Foreign Trade.

In Britain there is a single Department of Trade, which has a number of "mixed" departments, and a British Overseas Trade Board. In Germany, foreign trade is the responsibility of the Ministry for the Economy, although its foreign trade amounts to more than \$200,000m a year. This makes West Germany second in the world after the United States.

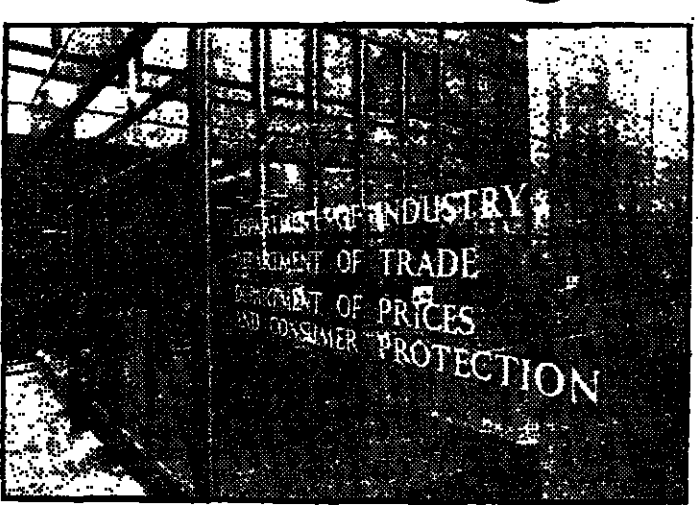
The snobbery where foreign trade is concerned is obviously more apparent than real, but it still indicates a certain detachment, which is reflected also in the supporting bodies that assist, or could assist, the public administration in running and promoting foreign trade. In fact, only France and Italy have a public or at least a semi-official organization to assist the Government in keeping foreign trade flowing.

In Britain, the organizations mentioned concern themselves with export credits and guarantees, market research, and arrangements for British firms to take part in trade fairs and exhibitions abroad. There are also about 15 regional offices which keep in touch with local firms which are interested in exporting. In the various ministries, from the Ministry of Agriculture to the Ministry of Health, there are offices with a special interest in exports in their own sector.

The bilateral, or mixed, chambers of commerce—Anglo-Italian and so on—are also involved. The overall organization works well enough, and the embassies have their commercial counsellors, but there is no special institute for foreign trade. The famous words that once were heard in Lloyd's of London—and perhaps could even be heard today—come to mind: "Fog in the Channel—the Continent is cut off."

In West Germany foreign trade is based, in practice, on the bilateral chambers of commerce of which there are about 40, distributed over 36 countries. There are 14 of these in Latin America, 12 in Europe, five in North America, five in Asia, three in Africa, and one in Australia. These are for all intents and purposes private associations, as regards both their budget and the way they are run, but the Government can intervene in fact if it does so. Initiatives of special importance.

It is a very active network, since three quarters of German foreign trade and more than 90 per cent of investments, in both directions, are carried out with countries where these chambers of commerce are located. The motto



might, therefore, be: "Where there is no bilateral chamber of commerce, there is nothing of any commercial interest to Germany."

In France, there is the Centre Français du Commerce Extérieur, which acts as a connecting link between the public administration on the one hand, and exporters on the other. The main link is with the Ministry for Foreign Trade, at political level, and the Department for Foreign Economic Relations—which is part of the Ministry for the Economy at operational level. The commercial counsellors, who form part of the Ministry for Foreign Affairs, if they are located abroad, or the Ministry for Foreign Affairs, if they are in France, form another solid link with the public administration.

The centre, in fact, has no offices abroad, but has its own representatives who work in the commercial offices in the embassies. Finally, the centre liaises closely with the departmental staff of the various ministries, for example the Ministry of Agriculture which, also through the ambassadors, provide and receive commercial information and organize initiatives for export.

On behalf of exporting firms, the French centre is in direct contact with the various firms and business organizations concerned, including joint chambers of commerce. There are seven regional representatives of the centre for this purpose, working by groups of regions, and contacting the sectoral and professional trade associations.

This system is based on the American model recently introduced by President Carter, who organized special commercial offices directly responsible to the Ministry of Foreign Trade. The responsibilities of the French centre are clearly defined and shared between four departments: information, the promotion and organization of fairs and exhibitions abroad, geographical and sectoral relations, and exports of agricultural products. In addition, the centre looks after arrangements for export credits, commercial agreements between France and other countries, and negotiates the large turnover contracts which are of special economic importance.

The Italian Institute for Foreign Trade (ICE) is a semi-official body formed during the last war, almost exclusively to exercise quality and health control over agricultural exports. Over the past 30 years the institute's responsibilities have been extended to include the promotion of foreign sales of industrial products, which today represent 90 per cent in value of Italian exports.

The three different sections within ICE, which are approximately of equal size in terms of staff—about 600 in each—are the head office in Rome, the branch organization throughout Italy, with some 60 offices, and the foreign organization, with 62 offices in about 50 countries. Its responsibilities are wide, but the new ICE management, which has been in charge for about two years, has concentrated its efforts in four directions, over and above agricultural control. These are, respectively, technical and commercial information, especially for smaller firms; the training of young people for jobs in firms which are export-oriented; assistance abroad with market research on behalf of Italian exporters; and the promotion of Italian sales abroad.

The reorganization of the ICE over the past two years mainly concerns sales promotion. The defensive policy of allocating funds in proportion to Italy's market share in the different countries, has been replaced by an offensive policy aimed at capturing tomorrow's markets, which is somewhat different from the traditional approach of Italian exporters.

ICE and SACE together are the two operators arms of the Italian Ministry for Foreign Trade, which has a supervisory role and is represented on the two boards of directors. The system seems to function, within the somewhat narrow limits of semi-officialism, with all the bureaucratic difficulties which that implies in Italy. A change in style, such as the transformation of ICE into a business agency might give a new momentum to Italian exports, and this is a safety valve that Italy needs, more than anything else, if it is not to suffocate.

Mario Salvatorelli



Demonstrators outside the United States Embassy in Tehran display messages intended for American newspaper consumption.

Debts mount while growth continues

continued from page 1

a reality than most are willing to consider. Supposedly, the Iranians are in debt to United States banks to the extent of \$6,000m. Assets that have been sequestered by the United States in domestic and foreign branches are said to total \$12,000m.

It is believed that Iran intends to default on the \$6,000m in loans while withdrawing the total \$12,000m and placing it in other currencies and in banks outside the United States. The net result will be a withdrawal of \$18,000m from the United States banking system which, without any doubt, would trigger a chain reaction among bankers with outstanding Iranian debts.

While banks in the United States, Germany and Switzerland have the greatest exposure to the \$6,000m in Iranian debts, those who are ultimately affected will cover a far wider range. Most international banking syndicates have participated in Iranian loans with United States banks and it is doubtful if any lending banker will escape the consequences of a world banking crisis.

Clearly, many of the smaller banks will face a moratorium which will exert pressure on the larger banks. It must be remembered that the sums involved make the property banking crisis of 1974 in the United States and the United Kingdom resemble the debt position of a local fish merchant by comparison.

Adding to the threat of an international banking crisis is the widespread belief that the international banking system has been travelling along uncommercial paths merely to keep potential defaulters afloat. There has been a marked tendency to seek deposits from the rich oil-producing nations and then to recycle short-term deposits on a long-term basis for the purpose of rescheduling debt. Throughout history the formula for a banking crash has always been "borrowing short and lending long".

In the United States, Japan and Europe, bankers are being told by their regulatory agencies that it would be dangerous

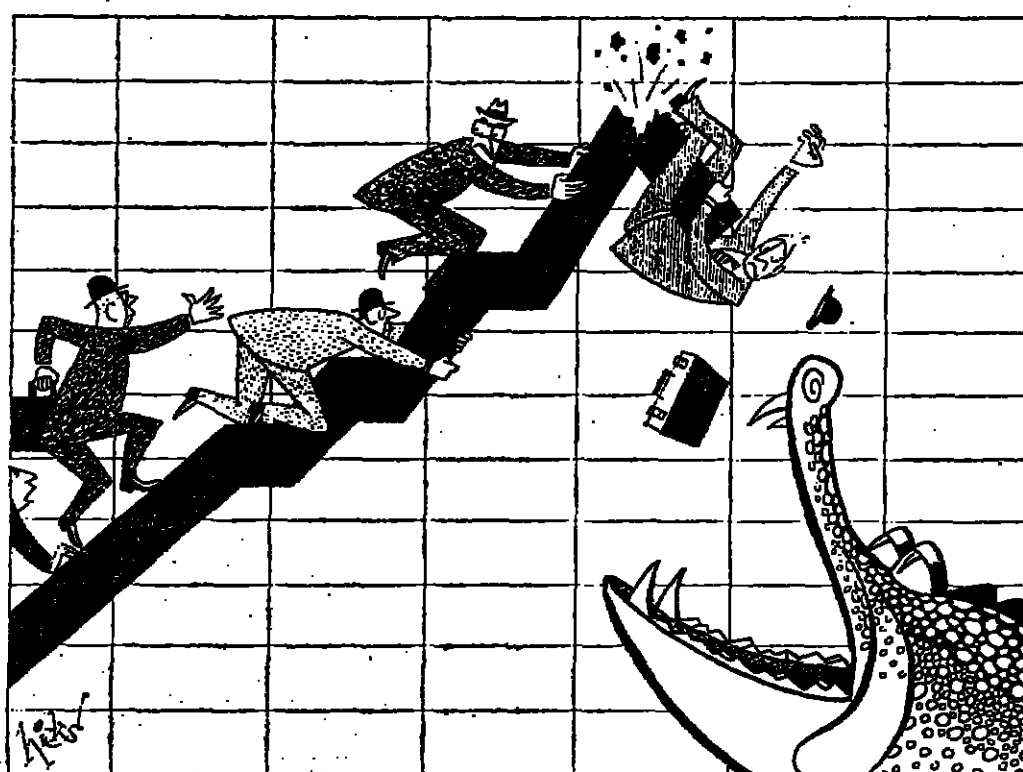
to the health of their financial systems to take on much more debt from the lesser developed countries. Recycling such debt is perceived as inherently dangerous yet, if roll-over credits are not extended, if debt is not rescheduled and refinanced, the international banking system will be threatened by a major default of one or more of its creditors, which could be even more dangerous.

While the authorities pursue a policy of monetary restraint, designed at bringing inflation under control while being mesmerized by their individual consumer price indices, a far greater threat lurks in the background—the threat of deflation. While all attention is now focused upon inflation, it is only really an interim problem occupying the brief period of the 1970s. The real problems of the 1980s will be financial panic, recessions and eventually deflation. For nearly 40 years economic growth and the income statement have held the balance sheet in coming when survival will take precedence over growth.

What most planners fail to recognize is that deflation has been a far more permanent part of our economic system than inflation. As the history of prices since the time of St Thomas Aquinas clearly demonstrates, we have spent more time experiencing periods of falling prices than we have rising prices. Debt contraction has superseded debt expansion over the longer term. Deflation means high unemployment, bankruptcies, panics, depletion of capital, bank failures, and was held in dread fear for a longer period than inflation ever was.

But now fear of inflation supersedes fear of deflation and the lack of preparation for countering deflationary forces accounts for a considerable degree of the threat that is imposed. Deflationary factors are working through the system almost unrecognized.

There is no argument that taxation is deflationary. Most retail price indexes are distorted by taxation and therefore overstate the true rate of inflation. Mounting debt and potential debt liquidation are also deflationary, as is monetary restraint. If there is one thing that John Kenneth Galbraith



and Milton Friedman agree upon, it is that oil price rises are deflationary. Mr Galbraith says in the last chapter of his book on money. Milton Friedman says it on every possible occasion.

It has been estimated that oil price rises account for 25 to 30 per cent of total world inflation, a figure which was agreed upon before the recent oil price rises in December. Yet this concept is totally incorrect. Based on the most simplistic interpretation of the quantity of money theory, oil price rises involve the vast withdrawal of funds from global economies. These funds become non-productive and are not recycled. The result is less money in the world economy to buy a gradually increasing supply of goods, exerting in turn a downward force on the price structure.

Of course, if governments decide to print money for financing oil price rises and monetary growth is extended beyond the growth in oil prices, the result is deemed to be inflationary, since more money is created to buy the same amount of goods, exerting an upward pressure on the price structure. However, governments have discovered in recent years that the process of deficit financing has become self-defeating.

The net result of excessive monetary growth has been debasement of the currency with Opec merely countering the tendency with further oil price rises in order to compensate for the decline in the purchasing power of the currencies in which they accept payment for oil.

Governments the world over have decided to "bite the bullet", abandoning deficit financing, leaving the monetary system with a situation where oil price rises actually act as a multiplier to negative monetary trends. In other words, we have less money chasing a fairly constant supply of goods and services, resulting from the transfer of wealth into uncirculated Opec deposits and exacerbated by the difference between the level of monetary growth and the rate of consumer price inflation.

Present trends are bringing the global system to a lack of liquidity where further increases in the debt structure will create bad debts and a deflationary explosion. After decades of living beyond their means, communities the world over are now highly illiquid.

The cost of servicing debt, both on a national and international level, plus the need to retire outstanding debt, will place a serious burden on the entire world. People now find that growth in debt services has been climbing faster than incomes while the banks, too, have become illiquid. The

quality of bank earnings has sharply deteriorated while their equity to debt ratio has plummeted. It is the illiquid state of the private sector in various economic systems that has been primarily responsible for the economic sluggishness of recent years. Free market forces are now emerging to correct the excesses and what we are witnessing is a gradual transition from credit expansion to (voluntary and involuntary) credit contraction.

Thus far, the worldwide recession is in its early stages and the extent of contraction has been confined to prime business corporations around the world. It is expected that present trends will result in a broadening of the process during the coming year. In the months ahead private borrowing and private borrowing are likely to contract. When total borrowings contract and a portion of current income is applied to repay previous debt obligations, demand falls below the supply of goods, a development that leads to price deflation. Because the private sector of the important world economies remains formidable, the deflationary pressures resulting from credit contraction will more than offset the inflationary forces generated by the public sector. Thus even if fiscal deficits continue to rise, we have reached a state where the impact on prices could still be totally nullified by only a small percentage in the level of outstanding debt.

Outright credit contraction will become increasingly more pronounced as global recessionary forces gain momentum during the coming year. Domestic consumers will be forced to repay outstanding loans with reduced income in terms of purchasing power. Personal consumption will then be substantially reduced and bankruptcies in the private sector will proliferate.

Ordinary banks, beset by excessive bad debts, would have trouble surviving. But the experience of the 1930s is still fresh in the minds of the banking community and, as demonstrated by the bail-out of the banking community by central bankers during the mid-1970s, central bankers can be expected to come forth as the lenders of last resort, but only for as long as an international banking crisis can be averted.

The possibility of global bankruptcy, deflation and depression seem more a matter of when than if. Deflationary forces which persist are far greater than anything we have ever seen in history, as is the colossal level of the global debt structure. Forces which could trigger such a catastrophe almost overnight are with us constantly. If the world does

experience severe deflation and depression during the 1980s, it could well turn out to be the biggest economic debacle in history—and an important turning point in many of the trends that have characterized the human enterprise since the Second World War.

Economic forecasters who base their assessments for the decade ahead using straight-line projections on postwar trends, may find their forecasts going awry. Many will argue that a depression on the scale of the 1930s and inherent deflation can never happen again. They will claim that the environment today is totally different from that of the 1930s and we have a regulatory mechanism provided by governments that would prevent the recurrence of a debt liquidation on such a scale. The Keynesian economics and monetary measures of the 1930s and 1960s are cited as evidence that recessionary forces can be controlled. This is a complete fallacy.

The environment of today, while much changed from the 1930s, is equally irrelevant to the environment of the 1950s and 1960s. During the 1930s and 1960s, global economy was seemingly anchored to a territory and international bankers were taken by surprise. Once again we are in a position which appears without precedent. There is strong indication that the mechanism designed to cope with moderate recessionary forces will be totally insufficient to cope with the deflationary potential in world economies at this time.

Serious depressions are totally reliant upon the fact that very few prepare for them or acknowledge the possibility. Governments, businesses and individuals should begin to consider how to prepare for the threat of massive deflation simply because the eventuality would clearly have enormous consequences. The importance of contingency planning would appear only sensible. There are, of course, many individuals who believe that if we think about a depression we will bring it about.

Doubtless there are equal numbers who believe that deflationary forces will bring war by thinking about the possibilities. But planning and defensive measures will certainly not bring about a global depression, instead planners may be able to calculate ways to mitigate the effects if global forces become inexorable. It will be those governments and economic advisers who refuse to recognize the deflationary potential that will bring the worst havoc upon those who have entrusted them with power.

Robert C. Beckman
Investors Bulletin

More take the Tito line away from Moscow

How does Yugoslav decentralized socialism work, with its worker councils and delegates system? Is it a new political model, or it is only an adaptation of classical Leninism of the Soviet kind?

The answer to such questions must be somewhat complex, for even today Yugoslav Communists—including top party leaders—often contradict themselves. What is certain however, is that the Yugoslav model is the historical outcome of the conflict between Belgrade and Moscow.

When President Tito stood up to Moscow in 1948, and Yugoslavia was expelled from the Cominform (the association of Communist parties under Soviet control, which was then in being), the political and economic system in Yugoslavia was still an almost exact copy of the Soviet model. President Tito was then at the head of what was to all intents and purposes a Stalinist state and of a Stalinist party which in its organization at least was on Stalinist lines.

The Yugoslav Communists immediately proceeded, after the break with Moscow, to make a virtue out of necessity by seeking ideological justification for their sudden change of course. They fell back on the anti-centralist, syndicalist and co-operative traditions of the working-class movement. It is no coincidence that Soviet criticism of the Tito line later made internationally common currency of the expression "Yugoslav revisionism".

President Tito—or rather his ideologically schooled lieutenants Kardelj, Kidric, Bakovic and Djilas—attempted to support every new policy development in the Socialist and Communist movement which had been blocked by Stalin and the organs of Soviet despotism.

So it was that they lighted on the magic formula of "worker councils", which were to take over factory administration from the central bureaucracy. The first law on worker self-management was promulgated in 1950. This meant that for the first time in any Communist country industry was accorded certain prerogative rights at factory and trade organization level vis-à-vis the political machine.

For the first time under any Communist regime industry was no longer totally dependent on the party authorities. These worker councils, which are now elected by the workforce and in turn are responsible for choosing the management and directors, had initially only limited responsibility. The Yugoslav system of decentralized socialism still suffers from the contradictory situation of a Communist Party organized on hierarchical lines in addition to, and above, a freely motivated system of self-management with a natural bias against hierarchical structures. The position is further complicated by the fact that Yugoslavia has not one Communist Party but six national Communist parties in each republic which for their part all need to try to pull together.

The economic reforms brought in in 1965 greatly increased the responsibilities of the self-administering organizations. Responsibility for production planning and investment decisions and, within certain limits, pricing policy was transferred from government agencies to the factories. This gave rise to a system which the Yugoslavs themselves call "social market economy", whereby central government reserves for itself only the right to draw up a skeleton economic plan.

At the same time the political leadership retained certain responsibilities for ancillary services, transport and communications, as well as for heavy industry. Up to 1974 the Yugoslav system of self-administration was primarily social and economic in character, but under the new 1974 Constitution and the legislative measures deriving from it regarding work partnership, the concept of self-administration was incorporated in the country's political system.

"Chambers" are now in operation at different levels of the republic, and federal—comprising delegates elected by the factories and certain economic branches which are a form of economic group with the purpose of protecting their own specific interests.

The application of this legislation on decentralized management has, however, brought about certain difficulties in practice. Edvard Kardelj, who died last year, one of President Tito's most valiant fellow campaigners, was the creator of the new system in Yugoslavia, and the visionary behind it. But he always refused, perhaps because of his Slovenian origin, to lose himself in details, and to make things too complicated through over-systemization. To Kardelj's way of thinking, and according to official Yugoslav ideology, a Socialist society also contains pluralist that is to say opposing interests.

being what it is, between the party organs and the interests of workers and management? In the long run will not either the party undermine self-management, or the system undermine the party?

Yugoslavia has organized trade unions which are obliged by law to safeguard workers' rights; that is to say, against the actions of management and directors. In this respect, Yugoslav trade unions are different as regards the theoretical concept from those of the Eastern block. In practice, however, one has the impression that the party consciously limits the size of certain trade union structures, in the fear that the party could come up against serious competition if trade union leaders were to fulfil their proper role.

Nor has the question of ownership yet been fully clarified in Yugoslavia, either from the theoretical or practical viewpoint. According to the economic thinking in Belgrade, all businesses and factories belong to the community. The workers, who are engaged in a "work partnership" in an undertaking, are accorded by the community a share in the necessary raw materials from abroad.

Equally the municipality or area authority in whose territory a work partnership undertaking is set up—and which provides the necessary land and basic services for it, as well as granting social benefits and tax advantages—is entitled to receive a share in the proceeds from operations. But influential lenders, such as banks or similar institutions, are also involved. Because of their manipulative role in finance they may assume a position of control over self-administering undertakings, something which theoretically is not provided for in the self-management system.

No clear demarcation yet has been made of the rights belonging to these three elements, all of which are indispensable for the functioning of an enterprise. Numerous conflicts arise in consequence. But in Yugoslavia such conflicts are openly tolerated, and often publicly, since, unlike their Soviet opposite numbers, Yugoslav Communists do not believe in the idea of a conflict-free society.

The theory and practice of the Yugoslav system of self-

management can be considered from two points of view: first its economic efficiency, then its political effect. On the economic aspect, Western specialists have heavily criticized the many deficiencies in the system. But the Yugoslav system has so far proved itself as a political instrument.

Even sharp conflicts such as certain strikes (permitted in Yugoslavia in contrast to the position in all other Communist states) have not led to consequences which might endanger the continuance of the system. President Tito has so far had no occasion to set tanks on the workers, either his own or from abroad.

All the same, the complex system in Yugoslavia displays a number of weak points. Decentralization sometimes leads to egotistical behaviour by individual regions or enterprises. This is exemplified by the various supply problems that have occurred this winter. Belgrade, for instance, suddenly found there was no milk to be had, because the self-administering organization responsible for supplying it chose to export its produce to Greece in return for foreign exchange rather than sell it in the capital. Supplies of detergents were also held up because a firm in Slovenia (also self-administering) had used all its foreign currency too soon and could no longer procure the necessary raw materials from abroad.

Yugoslav officials often admit that the country has been living beyond its means. Inflation and severe shortages of raw materials from abroad are knocking holes in the system. The Yugoslavs have to cope with the crisis as best they can with a system based partly on a social and partly on a market economy—and one which in many respects contains the disadvantages of both.

But the present crisis would not appear to be unresolvable as long as the Yugoslav leadership does not slip back into centralist planning methods, and so substitute for the temporary one that is permanent.

One thing is, in any event, incontestable: several Communist parties—including the Chinese, Italian and Spanish—have adopted some aspects of the Yugoslav system of self-management in their party programmes. There is no doubt that this Yugoslav model, either wittingly or unwittingly, represents a serious challenge to the Moscow brand of Communist doctrine.

Carl Gustaf Ström

On the contrary

Menu for the Summit

Begin with Afghan salami tactics, and blanch. Leave Olympic game hanging, but otherwise fritter, chicken out and rabbit on until in complete pickle. If short of oil, butter up and curry favour with hard-boiled eggs à la russe. Let American upside-down cake simmer in hot water until of jelly-like consistency, then top with well-blown raspberries. Make hash of Yugoslav baby beef and fudge of Persian honey, being careful not to add too much ginger.

Meanwhile, prepare champignons à la grecque, Spanish omelette, and potage portais; but hold back turkey, and duck.

Spend as much time as you can on assiette anglaise: chop finely, whip up as much as possible, then beat Brussels sprouts, sage and high liver together, and crab for 10 minutes. Add sweet-and-sour sauce to make savoury tarte à la crème.

For sweet, offer a choice of charlotte russe or chinese figs. Serve milk and water throughout the meal, and above all delay punch until after final bombe surprise.

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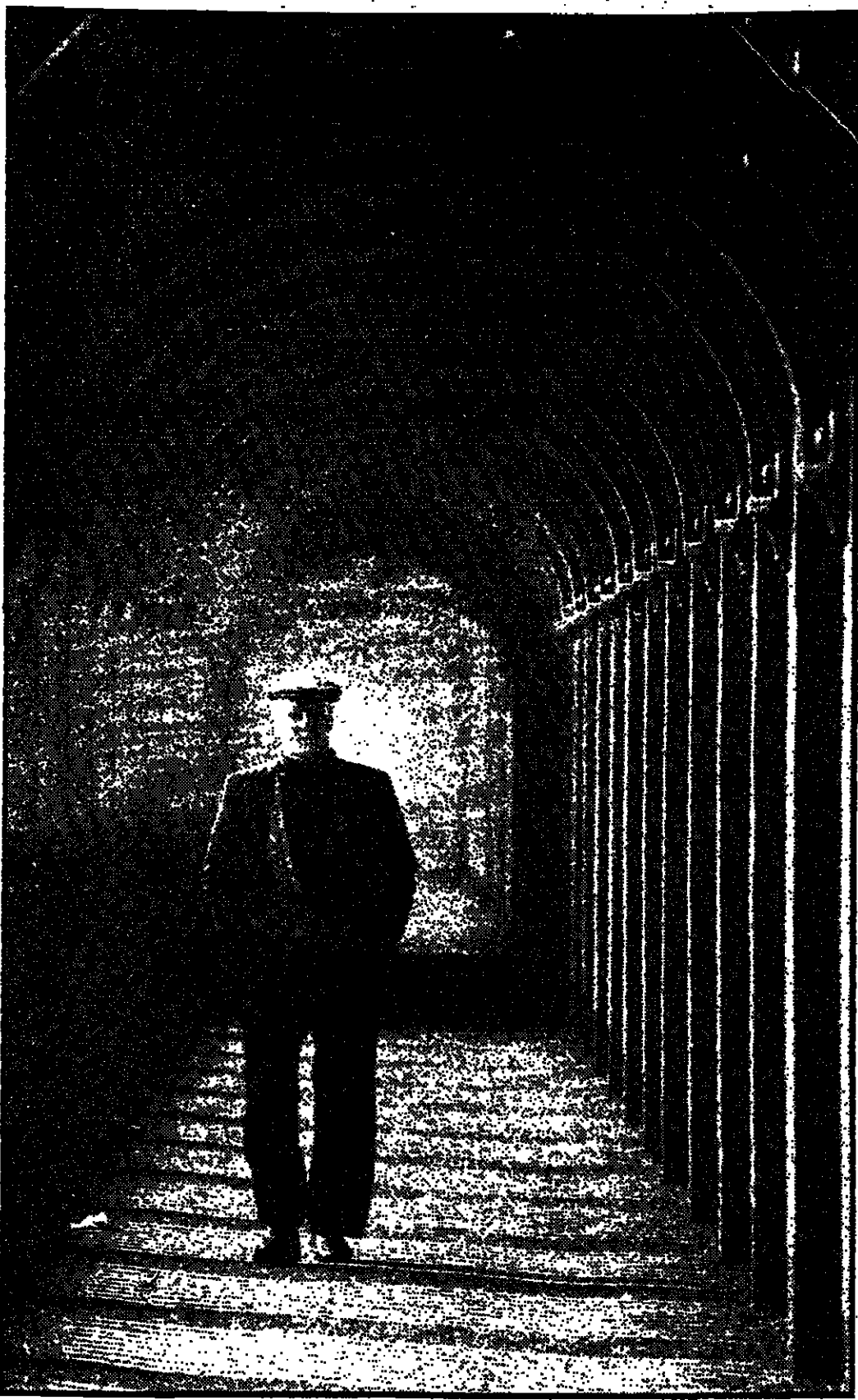
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John Ardagh finds that EEC habits still vary greatly

A tale of four cities



Personal spending and leisure habits still vary greatly among the European Community nations, despite modern consumer pressures towards uniformity. This is one of the conclusions of my research for a new book, *Life in Europe* today, based on lengthy visits to Stuttgart, Bologna, Toulouse and Newcastle.

The variations depend as much on local tradition as on income levels. In a word, the wealthy but thrifty Swabians of Stuttgart put the accent on home comfort and savings; Toulousains and Geordies (in Newcastle) are each in their different styles great hedonists, spending zealously on passing joys; Bolognese base their pride on elegant outward display (*bella figura*).

A Geordie might be amazed at how much of his income the average Bolognese devotes to new clothes. A middle-class man will buy two or three suits a year and several pairs of shoes; a Geordie may keep his shoes till they wear out, and buys one suit a year at most. This is a matter of social values, more than the fact that Geordies have less spending money.

"If I didn't dress well," a Bolognese girl said, "I'd be an outcast. I'd no longer be invited to parties. People stare at you horribly if you're outrageously or too informally dressed. But when I was in Britain I saw that no one minds."

In Bologna's streets, the elegance is striking—women in furs and jewels, men in carefully-knotted silk ties. Even *i bambini* are decked out as family status-symbols; Bang Bang Baby boutique does a profitable trade in chic velvet coats for six-year-olds.

In Newcastle, most older people look dowdy; only the young try to be trendy, but in the popular fashion of a year or two ago. New styles came, on a year later than, say, in Leeds or Manchester, one boutique-owner said.

Swabians, if with less flair and passion than the Bolognese, also indulge in expensive clothes, in a heavier style, and social acceptance, as in Bologna,

may depend on dressing in the right convention. "I must be smart but not conspicuous," said one resident; "the ideal here is to be decent". In Toulouse, a more casual style is catching on, yet with its own conventions. For a party, on the Continent everyone knows what to expect and dresses in much the same way; in Newcastle, scruffy old jerseys, Savile Row suits and flowery open shirts will be downing their brown ale or gins-and-tonic together and no one worries.

Geordies I have called "happy sing-song hedonists in a gastronomic desert". They care even less about food than clothes, and spend less of their income on it than in the other towns (the tiny handful of passable restaurants are Indian and Italian). But they do know how to have fun, at modest cost. Despite pub closure at 11 pm, Newcastle has the liveliest night life of these towns—a merry fiesta of discos and bingo halls, amateur drama and music groups, heavy sing-songs in pubs and workingmen's clubs, and mock-medieval banquets. Add to this the English passion for hobbies, with scores of local meetings of whippet-racers, dahlia-growers, brass-rubbers and the like. Geordies may lack the Latin graces, but they make up for it in exuberance—partly perhaps to compensate for the bleakness of their decaying industrial surroundings.

Sum-soaked southerly Toulouse also bubbles at night, in a more open-air style. The big terrace-café are still full at 1 am; bearded guitarists sing Occitan ballads in dim-lit caverns; and much serious eating is still done, despite the intrusion of hybrids such as "le Grill-Pub" and other fast-fooderies.

Pleasure-loving Toulousains spend their leisure time and money on food, sport, culture, travel. Like the rest of France, they have suddenly rediscovered a passion for music, especially classical; and tennis, swimming, even squash, find their place beside the hallowed local traditions of boules and le rugby. Many families own a secondary



Contrasting styles of dress. Above: Bolognese girls, casual yet chic. Left: Newcastle man, cloth-capped and traditional.

rural home—twice as many as in Bologna, 10 to 15 times as many as in Stuttgart or Newcastle—and to these they speed every weekend, or else to the sea or mountains. Even with petrol now at 3.30 francs a litre, motoring is still a major obsession with the restless Toulousains.

The Bolognese are more sedentary (perhaps because they are even more weighed down with rich food). This, the world capital of pasta, is Italy's only town that can claim to be the gastronomic peer of almost any in France: the plum Bolognese bestow nearly as much money, effort and passion on the subtleties of creamy *tortellini* and other local wonders as they do on their clothes, and long gossip meals in homes or *trattorie* is the main leisure activity. But cafés are strangely few and unwelcoming, and cultural life (save in the visual arts) is moribund compared with that of the other towns.

Stuttgart's famous motto is *Schaffe, schaffe, Häusle baue* (work, work and build your little house). Leisure is for being active and useful, not just relaxing, and the principal pastime is do-it-yourself home improvement. Housing and home décor, though not always in the finest taste, are notice-

ably more opulent and modern than in the other towns. Outdoor exercise has also become a cult, but the accent is less on team sports or recreation than on activities with a keep-fit rationale such as hiking or assault-courses in the woods: Swabians would never take to a near-static sport such as *boules*. Sport, like housework, is a tool for self-improvement, and so is culture: opera, concerts and, of course, ballet are of high standard, and middle-class Swabians regard regular visits to these in formal clothes as almost a moral duty, as well as a crucial means of asserting their status in society.

Moreover, the local puritan ethic decrees that fortunes are to be made but not seen, and the public display of wealth is in bad taste. One millionaire factory-owner kept his huge Mercedes in his garage at home, used it only for country pleasure motoring, and drove to his office in a little Volkswagen because he did not want to show off to his workers—much unlike the values of Munich or Hamburg, and a fortiori Bologna. However, Swabians do have their less earnest side: the simpler ones sing and drink in beer-halls and wine-pubs.

The towns' differences in holiday habits are striking, and here the Swabians are the most adventurous: I met workers' families who had taken their cars on camping trips to Norway and Romania, while package-tours attract all income groups as far as, say, Mexico or Thailand. Like Swabians, many

Geordies, too, go on package holidays to southern beaches, mainly Spanish, where they tend to be put in cheaper hotels than the Germans. Each national group keeps to itself. Geordies and Swabians spend two or three weeks on their summer holiday, Latins rather longer, maybe four or more.

Toulousains have no need to travel to find the sun, and many of them holiday in their own homeland of south-west France, in their country villas; but a growing and stable minority, especially the young, go off in twos and threes to far parts of the globe. (Apart from the Club Méditerranée, the French have hardly discovered the package-tour.) It is the Bolognese who win first prize for unadventurous parochialism: usually, they settle for the Adriatic resorts, 60 miles down the autostrada, where middle-class families go back year after year to the same villa or modest hotel, and often stay the full three months of the school break, with husbands coming down at weekends. Few think of going abroad. After all, this cheapish local holiday leaves all the more money to spare for those Gucci shoes and soufflés of pasta with truffles.

*A Tale of Five Cities (Secker and Warburg, London, £8.95). The fifth city, Ljubljana, is added for contrast: as it is not in the European Community, and does not have a Western-style economy, it is not included in this article.

Trompe l'oeil

A new series of articles on various misconceptions surrounding economic issues. Today Tans-Jürgen Mahnke looks at gross national product

When the figures can lie

Last summer many Swiss were somewhat sceptical when the Swiss Banking Corporation placed Switzerland at the top of the list of countries with the highest gross national product. In 1978 the country's per capita income went up by \$3,890 to \$13,853, yet the Swiss were hardly aware of it.

Switzerland has a further massive revaluation of the Swiss franc to thank (a yearly average of 34.4 per cent) for this leap forward. This is according to the SBC analysis. In fact the gross national product increased by only 0.2 per cent.

Politicians like to play around with gross national products, but the margins of error are considerable. For the value of all the goods and services produced in any one year less the value of the goods used in their production—the present definition of national product—cannot be directly stated on the international plane. As a rule values are calculated on the basis of reports from institutions such as statistical offices or associations. And the unreliability of the survey methods they use is well known.

This does not matter so much if the national product is considered over a short, or at any rate medium term, since the same errors are repeated every year, the growth rate accurately reflects the ups and downs in the economy.

But when longer-term comparisons are made structural changes in the national economy affect the authenticity of the national product as an indicator of the economy as a whole. In principle only those transactions are recorded which are concluded through the market place; although this is the way in which most transactions are concluded in the industrial countries, there is still the need to make a good many assumptions, and the import of this changes as time goes on.

For example, work done by the housewife is not taken into account for calculation of the national product, whereas a cook's wages are. So that if a man marries his cook he is decreasing the national product, while if more washing is sent to the laundry instead of being done at home the national product will rise.

Comparability over the longer term is also made less

reliable because of the increasing part played by the state. Government services and benefits, for which there is no market price, can be accounted for only by the use of various devices. The same applies to own consumption by enterprises, or to home ownership.

International comparisons are equally problematical, although they arouse the liveliest public interest. People register the fact that last year West Germany fell back from fourth to fifth position, changing places in the table with the United States, that France is in fourteenth and Britain in tenth place. Italy is now twenty-third on the list, just behind East Germany.

Comparisons of this sort can possibly supply a few pointers. But because, for purposes of comparison, national figures are converted into dollars fluctuations in exchange rates influence on the ranking. So do differential inflation rates, unless they are offset by exchange rate variations.

In Third World countries there is little basis for the collection of statistics. One cannot record the transactions in a bazaar. For agriculture, where cash is in many cases not an economic instrument, government agencies are required to provide only rough estimates.

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Herr Karl-Wolfgang. Menck, the Hamburg economist, believes that at best only 40 per cent of workers on the land are accounted for in these calculations. Some countries deliberately present higher figures so that they can enjoy more extensive development aid.

The per capita gross national product for Bhutan of \$80 a year (according to World Bank statistics for 1977 that country is at the bottom of the list) merely confirms that it is a very poor country. The \$10 gap between Bhutan and Bangladesh has no information value. Incomes of this sort do not necessarily mean that the people must be at starvation level, not, for example, if the land yields enough for family consumption although little produce is sold on the market.

The objections against the per capita gross national product as a criterion of a country's prosperity are well known. No attention is paid, for instance, to income distribution. The introduction of higher parking charges will increase the national product, but will scarcely brighten prosperity. A hundred loaves are accounted for at the same value as a hundred dog collars if the unit price is the same.

No more account is taken of working hours than of the extent to which a country uses its own raw material resources. A relatively high per capita income in East Germany, for example, is no indication of whether there are enough goods to buy, yet that is what really matters.

Economists and others have accordingly been working for a long time on a system of social indicators to take account of the things that are important for the prosperity of a country—nutrition, health, medical care, education, housing and working conditions. A model of this kind would need to be a reflection of priorities. It must be capable of being put into effect without too great an expense, and must be proof against manipulation on the part of interviewers.

Since however research on the subject has not yet resulted in anything concrete the first criterion remains the national income. Although this may be adequate as a first rough and ready indicator, it is insufficient as a basic principle of calculation.

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SUPPORT FOR STABILITY

In the dramatic first days of the Russian military move into Afghanistan it was easy to pick on the vulnerability of the country to the south and west that bordered landlocked Afghanistan. In Iran the channels of government that ran from the Imam Khomeini's spiritual eminence were weak and confused where they existed at all. Anyone wanting to exploit political divisions could find fertile ground to work on. Pakistan's case seemed even worse with a frontier that was more alive, having been directly influenced by refugees crossing since the April 1978 revolution in Kabul. General Zia ul-Haq's military rule had become more and more irksome. Could his government survive a threat from without lacking mass support? The map-maker's geopolitical arrows almost inserted themselves.

Six weeks later things look less tense. Following the UN vote, Pakistan called its Islamic brothers to a conference and although the verdict was not a unanimous one and the sanctions, if any, will not be uniform, the backing given to the country will be reassuring. Now the promised American aid has been tied up during Mr Brzezinski's visit. This may fall far short of General Zia's wishes but the circumstances are not such as to call for long term engagements for military or economic aid. The purpose is to promote stability by evidence of support and that has been manifestly given.

There is, of course, the case made by those who argue that even the limited aid on offer will serve to bolster an increasingly unpopular government. It is not an argument that can be swept aside. It has cropped up many times before when aid at critical times has been extended to governments of questionable popularity. And the answer must always be the same: that on balance a government that pro-

poses to steer the country through the crisis must be helped in that task whatever faults it has. Pakistan has rarely enjoyed a government that was not subject to strong criticism for all the retrospective popularity accorded to the late Mr Bhutto there are still angry memories of his illegal methods of government. Already there are those who detect signs that faced with the crisis in Afghanistan General Zia's leadership has its worth. He is not given to inappropriate Churchillian gestures nor to exacerbating divisions by ill-tempered moves. In the end the execution of Mr Bhutto is likely to overcome him, but he remains at present the de facto government, the only government Pakistan has.

Even if some limited degree of rallying to the centre persists and hardens, it is at the periphery that the risks are greatest. Neither the North-west Frontier province nor Baluchistan has had much taste for government of any kind, whether of General Zia's or Mr Bhutto's or for any of their predecessors. The NWFP is in the front line thanks to the refugees who have been flooding over. The frontier marked by the Durand line looks efficient on a map but does not exist in the minds of the tribespeople who straddle it; they can move freely from one side to the other in the territories that were unadministered in British days and cannot be directly controlled now. Yet Pakistan has lived with that situation for a long time. Is there reason to think that independent Pathans are any more now the carriers of Marxist infection than they were thirty or fifty years ago?

Baluchistan's instability admittedly can be less easily dismissed. It was military repression under Mr Bhutto's rule that spread bitterness and sent into exile in Afghanistan many hundreds of the Marri tribe,

Among them are said to be young whose higher education has since been furthered in the Soviet Union, with the expected political attachments of the kind that have reigned in Kabul of late. Batches of ardent young Marxists are always alarming but likely to do great deeds when they have the backing of the armed forces—as they did have in Kabul in April, 1978, and as they certainly would not have in Pakistan. In the past two years General Zia has not done as much as may be needed to quieten Baluchis but he has certainly acted prudently in soothing the worst suspicions. He should do more and may find that Baluchis—in the mass—are no more likely to welcome the kind of government they see in Kabul or to relish the accounts that will certainly reach them from Afghanistan of Russian occupying forces.

That leaves the other argument against limited but firm support for Pakistan: its effect on India. One answer is that the military help for Pakistan will be entirely defensive in aim. Another is that General Zia has shown himself to be careful over relations with India and there is no reason why he should now turn away from such an attitude. He certainly does not play the role of crusader that Mr Bhutto could relish. If Indian anxieties run to some of the wilder fears that have already been ventilated in the Indian press—American troops arriving to train Afghan rebels, for example—that must be accepted as natural. It is not Pakistan's difficult task to react to a global scale to the Soviet invasion of Afghanistan. It is to watch the points of risk on its own frontier and not to let them shake a firm stance backed by suitable political and military support. It is realistic to offer both kinds of support to General Zia's government, but without pretending to an enthusiasm which is not warranted.

THE COURAGE OF CZECH MODERATION

The Czechs are widely thought of as people who adapt too easily to the various humiliations that have come their way from the defeat of the Protestants in 1620 to the Munich agreement of 1938, the Nazi occupation, the Stalinism of the 1950s, and the Soviet occupation of 1968. In the debate on the relative merits of survival and resistance they are help up against the Poles, who so often fought and died for their defeats. The damage to Poland was physical, the damage to Czechoslovakia spiritual; it is not for outsiders to pass easy judgments. But at least in Czechoslovakia today some small sparks of resistance lighten the gloom imposed by the misnamed policy of "normalization" conducted since 1969 by Dr Husak under the protection of Soviet guns. Charter 77, and its offshoot VONS (the Committee for the Defence of the Unjustly Prosecuted) survive in spite of steady harassment and the imprisonment of leading members.

The Charter 77 association has just issued a new statement which we carry in part on another page in its first manifesto in January, 1977, it described itself as "a loose, informal and open association of people of various shades of opinion, faith and professions united by the will to strive individually and collectively for the respecting of civil and human rights... (It) is not an organization; it has no rules, permanent bodies or formal membership. It embraces everyone who agrees with its ideas and participates in its work. It does not form the basis for any oppositional political

activity... It does not aim to set out its own platform of political or social reform or change... but within its own field of interest to conduct a constructive dialogue with the political and state authorities..."

The significance of the Charter was that it marked the first sign of serious organized activity by people other than the reformist communists of the ousted Dubcek regime. Until then it was largely these communists who led the opposition to "normalization", who had appealed to western communist parties, written leaflets, gone to prison, and kept alive hope of a return, perhaps even with Soviet consent, to a modified version of the Dubcek period. By 1976 these hopes had largely faded.

The Russians, after showing a few flickers of interest, seemed to have committed themselves fully to Dr Husak, and the few allies which the reformists may have had within the Czechoslovak party had been removed, deprived of influence or converted to acquiescence. It was time to look for new approaches and these seemed to open up when Czechoslovakia signed the international covenants on civil, political, economic, social and cultural rights. If the party could not be reformed from within perhaps it could be pressed from the outside to show more respect for its own laws and international obligations. Perhaps it could even be persuaded to "conduct a constructive dialogue" on the subject. After all, it was surely not illegal to press for observance of the law.

Today's Charter 77 document is older and wiser by three years. No longer is there any mention of a dialogue. The authorities chose

to regard the scrupulously legal activities of the association as illegal and subversive. The mere collation of what are supposed to be public documents on what are supposed to be public trials has brought down stiff prison sentences on members of VONS such as Vaclav Havel, Czechoslovakia's best-known playwright, and Jiri Dienstbier, a gifted journalist. To continue to seek dialogue would be unrealistic.

On the other hand the majority of members of Charter 77 have resisted the temptation to move into the more direct political opposition which some regarded as a logical response. The new document remains true to the original aim of not offering a political platform, an alternative programme, or indeed any direct opposition to the state. This is its strength for it thereby keeps the loyalty of ex-communists, reformist communists, Christians, liberal democrats and different shades of socialists who can unite only on a common commitment to basic civil and political rights.

The aims of Charter 77 are therefore minimal: "We are more clearly aware that even a small space won for independent and free activity is a space for genuine life". But they are also universal: "Charter 77 stands up for the right of every human being to a free life in accordance with his or her conscience". The Charter's aims, as it rightly says, are essentially moral and rooted in the cultural traditions of Europe. But in a state such as Czechoslovakia today this cannot fail to represent a political stance if only because it is impossible to imagine the ideals of Charter 77 being even minimally respected under the present political system.

Deaths in police custody

From Mr Michael Meacher, MP for Oldham, West (Labour)

Sir, Dr Maclean (January 31) is right to call attention to the unsatisfactory situation faced by the police in having to deal with large numbers of drunken persons in police station cells, especially on Friday and Saturday nights. Quite a high proportion of the 245 persons who, according to Home Office statistics, have met their death in police custody in England and Wales in the last 91 years fall into this category. But the main point is surely that they should not have been taken to police stations in the first place.

What is needed instead is the widespread provision of detoxification centres following the Home Office's 1971 report *Habitual Drunken Offenders*, hospital-based centres were opened in Edinburgh in 1973 and Manchester in 1977, and a community-based centre was opened in Leeds in 1976. That is all, and even the Leeds centre is threatened with closure in March.

Yet these centres have proved their worth overwhelmingly. They should now therefore be extended across the country, and in order to free the police of an unpleasant role for which they are not well suited and also to provide the medical and social care that purely custodial centres in future that should aim to be, and as a matter of normal procedure are, taken to

The price of gas

From Mr M. V. Posner

Sir, Mr Marsh makes a fair point in his letter (January 28). It is hard to find space of using the social services to help those poor families hit by sharp rises in some basic prices. However, if Mr Marsh and I could agree on how much money to spend, I am sure we could find ways of doing the job that were not too silly.

The same could not be said if we used the fuel industries for this purpose. I concede that all big business—public, private, or mixed—must bear in mind the problems imposed on society by their commercial operations. But "inverted tariffs"—the less you use, the smaller the price per unit—make economic nonsense, whether for gas or electricity. Should I pay a lower price per unit for the heater I use for one peak hour a day than a working-class family pays for the continuous gas or electric system to which it is committed by virtue of the equipment the landlord installed several years ago?

The connexion between patterns of fuel purchases and poverty is too weak a lever to overturn the basic proposition that fuel prices should reflect producer costs and market pressures. If we tried to use the energy industries as branches of the social security system they would perform inefficiently in both their primary and their secondary roles. Yours faithfully, MICHAEL POSNER, Pembroke College, Cambridge.

Boycotting the Olympics

From Mr T. V. N. Fortescue

Sir, Suggestions for a permanent, extra-political home for the Olympic Games have focused on Greece; but would not Switzerland be an impossible, stable permanent host to the modern games?

A strenuously upheld tradition of neutrality since the 16th century was founded well over a century ago; a worldwide reputation for efficiency in all things, notably the reception and accommodation of temporary visitors; a prosperity to make entirely feasible the construction of the necessary facilities; and a climate most favourable for all athletic endeavour.

When these advantages are seen in conjunction with the long history of Switzerland's welcome and hospitality to international organizations of all kinds, not least the International Olympic Committee, the choice of this unique country as today's equivalent of ancient Greece seems an obvious solution to a problem which becomes more complex for every Olympic.

While I am uninformed as to the likely reaction of the Swiss to my suggestion, it would be out of character for an approach not to be given the most serious consideration. Yours faithfully, TIM FORTESCUE, 24 Stamford Road, W8, January 30.

The Soviet invasion of Afghanistan

From Mr Peers Carter

Sir, Ingenious arguments about pots and kettles and global strategy from Mr McKitterick (January 31) among others, and the controversy over participation in the Olympic Games, should not distract us from the central fact of the Afghan resistance, literally in the death, a brutal military invasion and occupation of their country.

Their courage, religious faith and fierce spirit of independence deserve our deepest admiration and all the support direct or indirect, that men of good will anywhere can give them.

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From Mr Eric Forth, MEP for Birmingham North (Conservative)

Sir, Ronald Butts otherwise well argued, if misconceived, article, *Switzerland, the alternative to an ideal* (January 31), ignores the response of the European Parliament to the Afghan crisis.

This is regrettable, but understandable, as so many commentators look only to the Commission and the Council of Ministers to assess the response of the EEC to current issues.

I would remind Mr Butts and your readers that the European Parliament in its January session passed a resolution tabled by the British Conservatives, the Christian Democrats, and the Liberals which condemned the armed invasion of Afghanistan as contrary to the UN Charter, called for an immediate withdrawal of Soviet troops, requested the Commission immediately to review all economic relations between the USSR and the EEC, especially in the field of high technology, agriculture and anti-dumping practices, and to report to the Council of Ministers. "It calls for action by the Council and the Foreign Ministers on the basis of that report. It calls on the International Olympic Games Committee to reconsider the holding of the Olympic Games in Moscow".

This is an example of several political groups from the nine countries of Europe combining to take a political initiative where individual governments (except Britain) and the other EEC institutions have appeared to be paralyzed.

Yours faithfully, ERIC FORTH, 40 Goldfields Road, Sutton Coldfield, West Midlands, January 31.

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Dissident and dissenter

From Mr Leszek Kolakowski

Sir, I was particularly pleased with the article "Parallels with the Soviet case" by Patricia Clough (January 28). Professor King points out the striking similarity between his own and Andrei Sakharov's predicament (whether the author of the article shares this view is not quite clear).

The analogy is indeed impressive. As is well known, in *Pravda*, *Izvestiya*, and throughout the Soviet press, articles by Sakharov appearing defending his cause and condemning the Government; he gives interviews on TV to state his case, makes speeches and lectures for huge audiences at the Moscow University, travels all over Europe; and in the mass media a debate is going on in which all Sakharov's defenders and critics voice their opinions. Sakharov's case has been the subject of criticism ever since it was presented to the United States Commission on Obscenity and Pornography in 1970. Kuchinsky himself at that time admitted his work was

exploratory and preliminary. Since then little new material has been published by him. Therefore the serious point which Dr. Kuchinsky's submissions and my own is this:

Readers of the report with its conclusions can gain no access to the evidence on which they were based. My own scientific report, I feel, evaluated for the committee, at least in part, by Mr Stephen Brody, of the Home Office Research Unit. Since my evidence has a direct bearing on the stance taken by the Home Office to pornography in recent years, Mr Brody's report should be made available to the committee. Although his analysis of my work is faulty, superficial and tendentious, I am not surprised. I am informed that other witnesses are also incensed at the treatment they have received. Regrettably readers of the report are compelled to accept the committee's interpretations of the evidence as if they were true. The United States commission produced its report in 1970 and published its evidence which led to its conclusions. It was then possible to see that the conclusions did not flow from the evidence, and the report was rejected by the President and Senate.

If the Williams committee were to publish the written evidence in the same way, the outcome could well be the same. Without this we are faced with recommendations to follow in the steps of Denmark, while being denied the evidence for such a move. In Denmark, complete freedom for the written word, in 1967 was merely a precursor to freedom for pictorial material two years later.

I hope this report stirs a vigorous debate in Britain. I shall be preparing a lengthy response in the hope of ensuring that people may gain access to primary data, rather than rely on doubtful interpretation. Yours sincerely, T. H. COURT, Reader in Psychology, Flinders University of South Australia, Bedford Park, SA 5042, Australia.

Trade unions and the rule of law

From Sir Ronald Bell, QC, MP

Sir, Some reading Lord Wedderburn of Charlton's confident assertion (February 4) that trade union law is clear as it emerges from recent decisions in the House of Lords, may be reminded of one of A.P.H.'s misleading cases in the Common Law.

In that celebrated case four law lords declared in turn that the law was clear, two one way and two the opposite way, and Lord Goff, with whom, therefore, the decision rested, said: "I am afraid that so that no one ever knew which way the law was clear."

After Lord Wedderburn's letter we are no wiser about the law, though clear enough about Lord Wedderburn's political view. "Acts done in contemplation or furtherance of a trade dispute" is certainly a formula, but whether it is a "golden formula" as he thinks, or a formula for disaster, as I think, is simply a matter of general judgment.

The formula, in any case, is the creature of statute and it is not clear to me why another statute should be changed. If "trade dispute" is now authoritatively interpreted to include a political campaign against the Government, and "in furtherance" includes any remote and preposterous connexion that states "not in the normal brain of any trade union leader, then a strong dose of what Lord Wedderburn would clearly regard as legislative iconoclasm is urgently needed.

I have the honour to be, Sir, Your obedient servant, RONALD M. BELL, House of Commons, SW1.

Primary maths teaching

From Dame Kathleen Ollerenshaw

Sir, As reported today (January 31), the Mathematics Development Primary Survey published yesterday by the Department of Education and Science states (on page 64), "The difference in performance between pupils in schools with less than 20 pupils per teacher and those in schools with 25.5 pupils per teacher and above was statistically significant in 12 of the 13 sub-factors and processes which are the only sure foundation of subsequent understanding and competence."

In an international survey conducted during 1965-69 of the mathematical achievements at the age of 11 and in the penultimate compulsory school year (usually at 15), the Japanese were placed far ahead of all participating nations (regrettably, the USSR did not agree to take part). My curiosity aroused, I visited Japan in 1970 specifically to seek clues to this phenomenon. In Japan, as in the USSR, mathematics in primary schools is taught in a way which is much revered, assiduously sought and well rewarded. The whole ethos and emphasis on the importance of mathematics, both among parents and the general public, certainly contributes to the children's outstanding overall level of performance.

Harm of pornography

From Dr J. H. Court

Sir, I have now had the opportunity to read the Williams Committee report on obscenity and film censorship (*The Times*, November 29). Since a discussion of my own submissions to the committee occupies the longest part of the longest chapter, I wish to express my disappointment that the committee has misinterpreted my work and shown an inability to recognize the harm associated with the wide dissemination of pornography.

We agree that in any discussion of censorship evidence regarding harm should be examined closely. My research has shown that increased availability of pornography has been associated in many places with an increase of rape reports. Conversely, a restrictive policy on pornography has been associated with little or no increase in rape reports.

Readers of the Williams report would not know that this has been my position, since it set up a number of straw men and then proceeded to knock them down. In spite of its superficial analysis of my work which suggests I was looking at crude measures of sex offences, my work has actually been much more precise. Although the reports dealt primarily with England and Wales, my work was worldwide in order to discern consistent trends. The report gives most attention to a mere half page of my submissions and fails to give due respect to the remaining 95 per cent.

Research evidence from other sources was reviewed by Mr M. Yaffe and published as an appendix to the report, but that review has omitted a number of serious recent studies which deserve attention and have shifted the balance towards evidence for harm.

At the same time, credence is given by members of the committee to the Danish work of Dr Bert Kuchinsky, which has been the subject of criticism ever since it was presented to the United States Commission on Obscenity and Pornography in 1970. Kuchinsky himself at that time admitted his work was

Rights of passage

From Mr J. Parfitt

Sir, You declare in your issue of January 21 that "nuclear powered (submarine) boats are not allowed through the Suez Canal". Your choice of the passive voice should not be allowed to obscure the fact that this is a rule unilaterally imposed by the Egyptian Government in defiance of the Suez Canal Convention, and regrettably accepted last year by the British Government.

Yours sincerely, LESZEK KOLAKOWSKI, All Souls College, Oxford, January 28.

Letters to the Editor

Disraeli and the "politicians who now wish to impose limitations upon [the House of Lords] construction of their civil extensions by statute" do so by overwhelming public demand evidenced by opinion polls taken before, during and, as you demonstrated so clearly last week since the general election, when a mandate for those limitations was given equally clearly to the present Conservative Government.

I am, Sir, yours faithfully, EDWARD GRAYSON, 4 Paper Buildings, Temple, EC4.

From Mr Denis MacShane

Sir, In respect of legislation covering workers who are members of a trade union either we are to have government by laws or by men. Lord Denning and the Appeal Court judges clearly have opted for the latter.

Yours faithfully, DENIS MACSHANE, 29 Gloucester Crescent, NW1, January 27.

From Mr Lionel Blach

Sir, February 4 was certainly a red letter day for your correspondence columns. Lord Wedderburn of Charlton's enthusiasm about our grotesque trade union laws, which are now widely recognized as the greatest threat to the economy and future of this country.

Professor Cairns attacks the West's nuclear strategy and presents the case for disarmament against the USSR. Mr C. J. Walker is given pride of place to celebrate Soviet rule in Transcaucasia while Lord Ramsey of Canterbury condemns the invasion of Afghanistan, but appears to put it on the same moral level as the disappearance of one individual in Chile.

For light relief, Lady Oppenheimer questions the notion that God is masculine. Are these signs of our times? Yours faithfully, LIONEL BLOCH, 9 Wimpole Street, W1.

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I remember being shocked on my return home, when visiting a new five to seven infant school, to learn on enquiry that there was not a teachers' blackboard in the building and no classroom where children could at any time be seated at desks or tables all facing the teacher in front of the class—something, I am sure, which could not be thought possible in Japan. Does this not suggest that we should consider giving greater attention to the teaching of mathematics from an early age? Yours faithfully, KATHLEEN OLLERENSHAW, 2 Pine Road, Manchester, January 31.

Calling the tune

From Mr Martin Jones

Sir, I write on behalf of the Philharmonia Orchestra in response to the review by Paul Griffiths on January 28 of a concert in the Royal Festival Hall the previous evening. I take exception to his remarks concerning the performance of "Tune" by John Wallace. He says "no doubt its inclusion was also helped by the fact that Mr Wallace, the Principal Trumpet in the Philharmonia Orchestra, is otherwise its claims could hardly be taken seriously".

The decision to perform the Wallace work, rather than one of four other contemporary pieces considered, was taken by the Council of the Orchestra, in consultation with Vernon Handley, who had recommended it.

Naturally, we were pleased to give an opportunity to one of the composers in the Orchestra, but the choice was made first and foremost on the musical merits of the piece, and we believe it was the right decision. Until he was informed of the choice, John Wallace was not even aware that his piece had been considered.

"Tune" certainly succeeded in its aim of pleasing the audience, even if it did not please Mr Griffiths. Yours faithfully, MARTIN JONES, Chairman, Philharmonia Orchestra, 12 de Walden Court, 85 New Cavendish Street, W1, January 29.

Slanging match

From Mr J. A. Cullen

Sir, Cassell's decision, following protests from Mr Sholomovitz, to expunge the derogatory definition of "Jew" as "a user, an extortionate tradesman", etc. from the latest editions of their English Dictionary may well be a defeat for linguistic integrity, as Bernard Levin asserts (January 29); but it is not also inconsistent with their recognition of the following definition of a Greek: "a (slang) a trick fellow, a knave, a cheat".

Did Mr Sholomovitz make any representations in the second case? Or did he decide that Greeks must fight their own battles? Yours faithfully, J. A. CULLEN, 18 Twyford Avenue, W3, January 31.

An English grave in Naples

From the Principal of Somerville College, Oxford

Sir, HM Consul-General, Naples, assured me by telephone yesterday that the Municipality of Naples is being most cooperative and eager to respect the wishes of the family and the remains of famous British people, such as Mrs Mary Somerville, buried in the cemetery.

The part of Naples including the cemetery, disused since 1891, is, I understand, among the most overpopulated in the world, so that all space is very badly needed. Miss Edith Clay tells me that the Comune of Naples is buying the cemetery site, will convert it into a public garden, and will leave in situ some tombs as are capable of restoration. Bones from the other graves will be moved to a common grave in the New Protestant Cemetery, unless representations are made to the Consulate General and the expense of removal to a separate grave is met.

Mary Somerville (1780-1872), described in one of the many obituary notices that appeared after her death in Naples as "the Queen of Nineteenth-Century Science", spent the last third of her long life in Italy, where she was greatly loved and respected, and accorded honours by many learned Italian Societies. Yours faithfully, BARBARA CRAIG, Somerville College, Oxford, February 1.

Cigarette advertising

From Sir Douglas Black and Professor J. G. Robson

Sir, The Government will shortly be negotiating the voluntary agreement it has with the tobacco industry on such matters as cigarette warnings and sales promotion, which comes up for review in March, 1980.

During the three years of the present agreement some 150,000 men and women have, according to the Department of Health's estimate, died prematurely as the result of cigarette smoking. At this rate at least a million more will die from this cause before the end of the century unless cigarette sales are somehow controlled, especially among children, whose present high rate of smoking presents a sad prospect for the next half century.

The Governments of Norway and Finland have adopted comprehensive policies to reduce cigarette smoking including phasing out of advertising and promotion and these are already beginning to show valuable effects, especially among the young. Yet the Government in our country have failed to take any such action from smoking-related diseases is one of the highest in the world.

Cigarette smoking today is the most important cause of preventable death and disease in the UK. We urge the Government to take vigorous measures, including necessary legislation, to prevent the tobacco manufacturers from promoting their wares in persuasive ways which undermine the impact of health education on the behaviour of both children and adults.

Yours faithfully, DOUGLAS BLACK, Chairman, J. G. ROBSON, Honorary Secretary, Conference of Medical Royal Colleges and their Faculties in the UK, Department of Anaesthetics, Royal Free Hospital Medical School, Blandford Road, W12, January 25.

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Shipping export credit terms ease

The Organization for Economic Cooperation and Development released full details of the revised "understanding on export credits for ships" which became effective on December 1, 1979.

The main changes from the previous understanding in 1975 concern the minimum downpayment—lowered to 20 per cent from 30 per cent—and the maximum duration of credit, which rises to 8.5 years from 7. Participants considered that although the previous minimum interest rate of 8 per cent net of all charges, should remain the rule, they agreed that "some flexibility may be necessary to take into account existing practices within the European Economic Community".

Japan-Iran project

Mr Eimei Yamashita, president of Japan's Iran Chemical Development Co., has reached a basic agreement with Iranian Government officials in Tehran on continuing the 730,000-ton (£1,350.4m) project in Bandar Khomeini which was halted in March, 1979, because of the political unrest.

Italian wages rise

Italy's automatic wage escalator rose eight points in the quarter ended in January, compared to six points in 1979. The rise adds 19,112 lire (£10.69) a month to February wages. The escalator grants automatic pay rises to help workers keep up with the cost of living.

General Motors' rebate

General Motors is offering a \$500 (£218) rebate designed to clear the inventory of remaining 1979 models of 50,000 cars and station wagons and 25,000 vans. The credit incentive could cost General Motors about \$37.5m (£16.3m).

Volvo pulls out

Volvo will stop assembling its 244 GL passenger car in Singapore by the end of 1980 after last year's government decision to withdraw preferential treatment for locally assembled cars from August 1980.

Shell chief predicts economics will push mines into new prominence

Coal 'key energy source' for future

A leading executive in the oil industry predicted yesterday that coal will be the key energy source for many years to come. He estimated that by the end of the century, western Europe could be importing as much as 350 million tonnes a year.

Mr Peter Baxendell, chairman of Shell Transport and Trading, said coal was potentially a highly versatile source of energy and feedstocks. "It is destined by sheer necessity to take the place of oil as the 'swing' fuel for the remaining part of this century and possibly beyond."

(Oil is the present "swing" or "balancing" fuel. Its flexibility of marketing and supply allows it to be easily taken up or cut back according to demand.)

Economics and politics were pushing coal on to the energy stage, and it was essentially cheap and available balancing part in developing coal technology, he said.

World oil availability is on a plateau. "It is no longer the universally applicable, essentially cheap and available balancing fuel that it has been for so long," he said.

Shell is in the forefront of coal conversion technology. It recently announced plans to build a 1,000-tonnes-a-day coal gasification plant in the Netherlands. The £70m plant will operate in conjunction with a combined-cycle power station, using both gas and steam turbines. The station is expected to come on stream in December, 1983.

Mr Baxendell, who is also a group managing director of Royal Dutch Shell, said that coal gasification was only a starting point for further synthesis of ammonia, methanol and liquid hydrocarbons.

He disclosed that Shell companies were engaged in various coal-related research programmes, including work on coal slurry pipelines, technology for treating

and using slurry pipelines, reducing the pollution potential of low-grade, high-sulphur coals and recovering coal from waste material.

Speaking to the Coal Industry Society in London, Mr Baxendell said EEC coal production could be expected to increase over the next 20 years by only 50 million tonnes, giving a total output in the year 2000 of 250 million tonnes.

To meet the shortfall, anything between 150 and 350 million tonnes of coal would have to be imported.

Development of a new, international coal industry involved investment on a huge scale, he said.

Here, the experience of the oil companies in handling the financial, political and physical complexities of mounting large-scale international projects would be of considerable value.

John Huxley

Fibre optics 'village' test urged

The Post Office Engineering Union has endorsed the recommendation made last year by the National Economic Development Council's electronic components sector working party that the Government should provide up to £40m towards the development of optoelectronics.

In a report on optical fibre technology published yesterday, the union says the Government should go further than this. It should sponsor an experiment in which a small community would be "wired up" with optical fibre cable so that subscribers could receive a new range of telecommunications services.

This would enable us to test the practical application of optical fibres in the local network and the reaction of subscribers to the services available. The Japanese have already done it. The Canadians and now the French are planning to do it.

Optical fibre technology involves the transmission of speech (or data) via pulses of light along a hair-thin strand of glass or plastics. The light is generated by lasers or light-emitting diodes. A pair of fibres can carry almost 2,000 telephone calls simultaneously.

The Post Office intends to introduce 15 routes for which optical fibre will be supplied by GEC, Plessey and STC. According to the union, this will represent the largest application of optical fibre technology in actual operating conditions in any telecommunications network in the world. These routes will come into operation between 1980 and 1982, providing the Post Office with practical experience of using optical fibres with live traffic and British manufacturers with a showcase for potential customers abroad.

Optical fibre technology, the

"to involve the private sector in the definitive stages of a space research programme where a technological advancement is needed and there is a potential commercial application."

Under the NASA/McDonnell Douglas agreement, the first of its kind, the aerospace company and a major pharmaceutical company will investigate the separation of biological materials in space using a process known as electrophoresis.

Using this process in space, it is thought likely that substances useful in the diagnosis, treatment or prevention of human or animal diseases can be produced. Such substances at present are not being produced in sufficient quantities or of sufficient purity in ground-based processes.

Colour prints

Significantly improved colour transparencies and prints from computer-generated colour video displays are claimed by Calcomp, the computer graphics company, for its new Model 31 recording device, launched yesterday.

It was developed by Dunn Instruments in the United States, in association with Polaroid. Previous systems have suffered from incompatibility between the techniques used to reproduce colour on the video screen and those used in colour film.

The new microprocessor-controlled system processes the phosphor-based video colours into a form compatible with the layered structure of the film. This should accelerate the use of computer graphics output from colour systems in areas such as business information systems and design—distinct from the traditional ones of science and engineering.

KENNETH OWEN

Lucas wins battle to expand in Europe

Lucas Industries is now so confident of its all-round strength that it has taken the battle for motor industry business into the home market of its biggest competitor, Robert Bosch, and won big contracts to supply German motor companies with components.

This was revealed yesterday by Mr Godfrey Messervy, managing director of Lucas, who will succeed Sir Bernard Scott as chairman and chief executive from April 1. Sir Bernard, 65, is retiring after six years in office.

Mr Messervy said: "Bosch do not take very kindly to us making really significant inroads into what has long been regarded as Bosch territory. We are not personally antagonistic to Bosch but we are bitter rivals for every market we fight in."



Mr Godfrey Messervy: bitter rivalry for every market.

"There is no suggestion that any particular market belongs to anyone. Today it is a world market and we are in there fighting for the money."

The German successes follow Lucas' long battle to increase its presence in another EEC country. It attempted to obtain control of Ducellier, the French auto-electric manufacturer last year. After a series of court hearings, a compromise was reached three months ago which permitted Lucas to increase its shareholding to 50 per cent and gave its rival, the French Ferrod SEV, 48 per cent.

Mr Messervy said Lucas, Ferrod and Ducellier had now set up a number of joint teams to produce a rationalization plan which will help all three in products and markets.

"As long as the French motor industry understands what we are trying to do—and they do because I have been around and told them—the result should be a stronger French auto-electric grouping."

"The trouble at present is French motor companies want a stronger component industry but tend to want to pay very little for their original equipment. They expect suppliers to make their profits out of replacement parts."

"But life is not like that today. That is one of the reasons why the French have a lousy component industry."

Prices deal for rubber company

By John Huxley

International Synthetic Rubber (ISR) has resumed production of its principal product after a four-week shutdown in protest against what it described as "killing" prices charged by chemicals companies for raw materials.

More than 100 workers engaged in making styrene-butadiene rubber at the company's main plant at Rythe, Hampshire, were redeployed after the production halt.

Yesterday ISR announced it had reached an understanding with Esso Chemical relating to contract prices paid for supplies of the butadiene feedstock. "Most significantly, an agreement has been reached for both parties to work together to establish viable long-term arrangements," the statement added.

Esso is ISR's largest supplier of butadiene. Others include ICI and British Petroleum, with whom negotiations are continuing. The company would give no details of contract prices agreed with Esso.

Earlier Mr Donald Bennett, chairman of ISR, had complained that he was being asked to pay around £30 a tonne for butadiene while in the United States the same product was being offered at about £230 a tonne before freight charges.

ISR, owned by a consortium of the tyre companies Dunlop, Goodyear, Firestone, Uniroyal, BTR, Michelin and Avon, said it had been threatened by support from its 900 workforce and its customers.

LETTERS TO THE EDITOR

Food the most serious shortage in world of wasted resources

From Mr R. S. Scorer

Sir, The message of Kenneth Owen, your Technology Editor, should be heeded by your Commodities Editor Wallace Jackson. Owen writes (February 1): "While attention has been focused on energy, questions of the future supply of materials have been overlooked." How true! For Jackson's headline (January 28) reads: "So much silver underground and yet so little mined."

The column below reveals that the amount of unmined silver around the world in direct deposits is enough for 13 years at present rates of consumption and that there is enough for another 35 years in deposits from which silver

can be mined as a byproduct. If I owned a deposit I would be very much inclined to keep it in the ground and not release it to the world with its present extravagant practices.

But metals and other minerals are not the only resources whose life appears short. The tropical forest and ocean fisheries are being grossly over-exploited at present so that there will be a very serious shortage of wood and fish in two decades time. Only a severe shortage of energy will, so it seems, slow down this shortsighted extravagance.

Perhaps the most serious of all is the shortage of food in prospect. Disease has been

overcome as an important restraint on population growth and the world's food supply, supported by mechanization and fertilizer, has supported an unprecedented increase. But this depends on fuel, so that the fuel crisis means a food crisis. Fuel, forests, fish, fertility and food: these are more serious than minerals to the welfare of the world, and it will not be a crisis but a climacteric. Yours faithfully,

R. S. SCORER,
Department of Mathematics,
Imperial College of Science and Technology,
Queen's Gate,
London SW7 5HH.
February 1.

Advantage of strict product liability

From Mr Howard Abbott

Sir, The letter from Dixon Conn (January 30) on product liability and animals is well timed. He followed David Sharpe who had made similar points regarding human beings. They both felt that their respective fields of medicine and law would benefit from strict liability coming into force in this country; that defensive medicine would become the norm; and that the patient, animal or human, would be at a disadvantage if the consequence.

Mr Conn says that if there is suffering due to a product defect which "is the result of negligence, the remedial course already exists". It certainly does—but the sufferer would have to prove negligence. Here is the difficulty that strict liability seeks to overcome. Mr Conn rightly stresses the complexity of modern medicine and the problems of understanding it. This is why the proof of negligence is most difficult for the consumer.

Under strict liability a plaintiff would only have to prove a causal link between a defective product and harm to succeed. He would not have to show that the producer had been negligent. Which is not to say that the producer would not have defences available to him, such as contributory negligence.

Your correspondents may have been influenced by the stories from the United States where strict liability has been in force for over 15 years. But the apparent "excesses" are more the result of the American legal system than strict liability. There is virtually no chance of us following the American pattern.

Yours truly,
HOWARD ABBOTT,
Boscastle Cottage,
Boscastle,
Cornwall PL35 0BH.
January 30.

Why trading with EEC is not all gloom

From Mr W. M. Clarke

Sir, I was interested to read the analysis of "Britain's trade with the EEC" by the three members of the Cambridge Economic Policy Group in Monday's paper (January 28). And pretty gloomy reading it tended to be. The authors contrast the promised "dynamic gains" expected from Britain's entry into the Common Market with the growing deficit actually shown by the manufacturing industry.

But it is not all gloom. Had they looked a little wider they would have found that Britain's invisible trade surplus with the EEC had nearly doubled between 1973 and 1978 from £710 million to over £1,200 million. Of this the financial services sector nearly doubled, rising from £111 million to £293 million.

Yours faithfully,
W. M. CLARKE,
Director-General,
Committee on Invisible Exports,
7th Floor,
The Stock Exchange,
London EC2N 1HH.

Bureaucratic burden

From Professor A. J. Harris

"I will do such things—what they are yet I know not—but they shall be the terrors of the earth" (King Lear, Act 2, Sc 4).

The engineering authority proposed by Finitist is not a solution. It is a means of applying a solution. What solution? No solution emerges from the text; proposals are secondary and trivial.

We run the risk of being lumbered with an expensive and restrictive bureaucracy.

A. J. HARRIS,
Department of Civil Engineering,
Imperial College of Science and Technology,
London SW7 2BU.
January 31.

Unrewarding promotions

From the Rev Bernard T. Croft

Sir, Somehow I do not think many of those who read your story about the Reader's Digest book, *You and Your Rights*, would have their wits wrong. As recipients over the years of unwanted promotion material and of "awards" from time to time, some would remember the wise words of old Adam in *Cold Comfort Farm*: about curses, like rootkisses, flying home to rest in boussoles and barnises.

BERNARD CROFT,
10, Minster Court,
York YO1 2JJ.
January 31.

UK's mineral reserves an unlikely Utopia

From Dr J. P. N. Badham

Sir, The recent letters from Sir Peter Kent and Sir Kingsley Dunham (January 9) and Mr John Lomax (January 23) call for a simplification of mineral rights ownership (by nationalisation) and for government to encourage mineral exploration and development with tax incentives. Both make two assumptions which need justification before such changes should be considered.

The first of these is that the mineral resources are actually there to be discovered. Mr Lomax draws attention to a list of "known pre-bodies" in the United Kingdom. As far as I am aware the best of these (for example Wheal Jane and Mount Wellington) have been unable to operate profitably despite the most generous government assistance.

It would be interesting to know of other known bodies which could be mined profitably in the United Kingdom. Mr Lomax also suggests that a revival of mining would "help the balance of payments and ensure a supply of strategic materials..." At present this country imports its entire requirements of many essential metals, lead, zinc, tungsten and tin. We produce about 1 per cent of each of these indigenously.

The most optimistic prognosis would find it difficult to anticipate production of even 5 per cent of our needs for any of these metals, and we have no known reserves of any of the remaining strategic metals. While an enhanced exploration programme might alleviate the situation somewhat it is hard to see the coming of Mr Lomax's metallic Utopia.

The second assumption is that, even were we to locate significant mineralization, permission would be given to mine it. The land use pressures of this country are so great that government would find it extremely difficult to impose its will. The success of the environ-

mental lobby at Coed-y-Brenin and their present virulence at the Belvoir and nuclear strategy inquiries suggests to me that development of new mining fields in the United Kingdom is highly unlikely.

Mr Lomax's comparison with Eire is not apt for both the geological situation and land use pressures are very different.

To appreciate the land use pressures I list the organizations that have become involved with a recent planning inquiry for increased gravel extraction: the local town and councils, the local water authority, the CEBG, the RAF, a major oil company, a major gravel company, the RSPB, the nature conservancy, the Salmon & Trout Association, the IGS, various universities, various local environmental groups. May we pity the poor man who only wanted to employ a few from the dole queue and extract a few more tons of gravel!

For my own part let it be quite clear that I firmly believe there to be mineral deposits that could be produced economically in this country, and I should like to see them discovered and produced. I do not think they will make any significant difference to the balance of payments or our strategic dependence on other countries. They could, however, improve local unemployment and wealth considerably. I am unable to understand the logic of environmental groups who argue content to use the products of desertion (sic) of other countries while protecting their own. I am cynical enough nevertheless to suggest that their arguments will prevail and that neither nationalization nor tax incentives will make the slightest difference to us.

Yours faithfully,
N. BADHAM,
Department of Geology,
The University,
Southampton SO9 5NH.
January 25.

Basic needs overlooked in efficiency drive

From the Director General of The British Quarrying & Slag Federation

Sir, Mr Gaultier in his letter of January 29 has highlighted an issue which should concern us all: a sound infrastructure is basic to an enterprising, forward looking and efficient industrial nation. We ignore this at our peril.

Those who have a vested interest in supplying these needs are hesitant in promoting their views or are ignored as having vested interests. However, while there is a strong belief that public expenditure and hence government borrowing must fall, that is not to say that we should not look more closely at the proportion devoted to "current" and "capital" expenditure respectively.

The statistics quoted by Mr Gaultier speak for themselves however unpalatable they may be. They point to two things: a gradual reduction in the basic civil engineering services that we all take for granted in our daily life but more important a heavy cost to industry by the use of antiquated buildings and high delivery charges on manufactured products. Anyone who has found himself in a queue of lorries at an export port must know that this delay costs money and that this cost may make the difference between a product that is competitive in the market place and one that is not.

Let us be realistic. If our present difficulties in the short term prevent us from allocating sufficient resources to these basic needs, we must look for an alternative. It is not beyond the ability of our elected representatives of the European Parliament to play the French game. We must hope therefore that this challenge is taken up. We should make every endeavour to obtain funds for infrastructure development from EEC sources which will go some way to counterbalance the inequity of the common agricultural policy.

We should put aside our domestic differences, however valid, and try to find a common approach to what has become a serious problem. Yours faithfully,
G. T. BODKIN, Director General,
The British Quarrying & Slag Federation Limited,
Caroly House,
Dingwall Road,
Croydon CR0 9XF.
January 30.

Dangers for moderates in union law change

From the General Secretary, the Aerospace Association

Sir, Mr Leif Mills (January 22) has drawn attention to the problem of trade union recognition to which the Engineers' and Managers' Association has been directing the attention of Members of Parliament for some months, namely the proposed repeal of Sections 11-16 of the Employment Protection Act.

If the repeal is enacted in the Employment Bill 1980 there will be no machinery whereby a trade union can challenge the recognition of an employer to grant recognition. If an employer is under pressure from militant, Communist-led trade union not to recognize another, moderate trade union, and he buckles under that pressure, what do we moderates do?

One answer would be to take to the streets and thereby behave in a manner which our

members and their employers would deplore. If our members had wanted to do that they would have joined AUEW (TASS) in the first place.

We are dismayed that this, of all governments, should be in the process of dismantling the Advisory Conciliation and Arbitration Service (ACAS). It is as though the Government is playing into the hands of the militants and indicting that brute force can win the day on a recognition issue. How strange that in one Bill we find a remedy for the ill of secondary picketing and a prescription for industrial action on recognition.

Yours faithfully,
PETER FAIRLEY,
General Secretary,
The Aerospace Association,
39 High Street,
Wheatthorpe,
Hertfordshire AL4 8DG.

A NEW BRITISH CONCEPT IN CONSUMER SAFETY

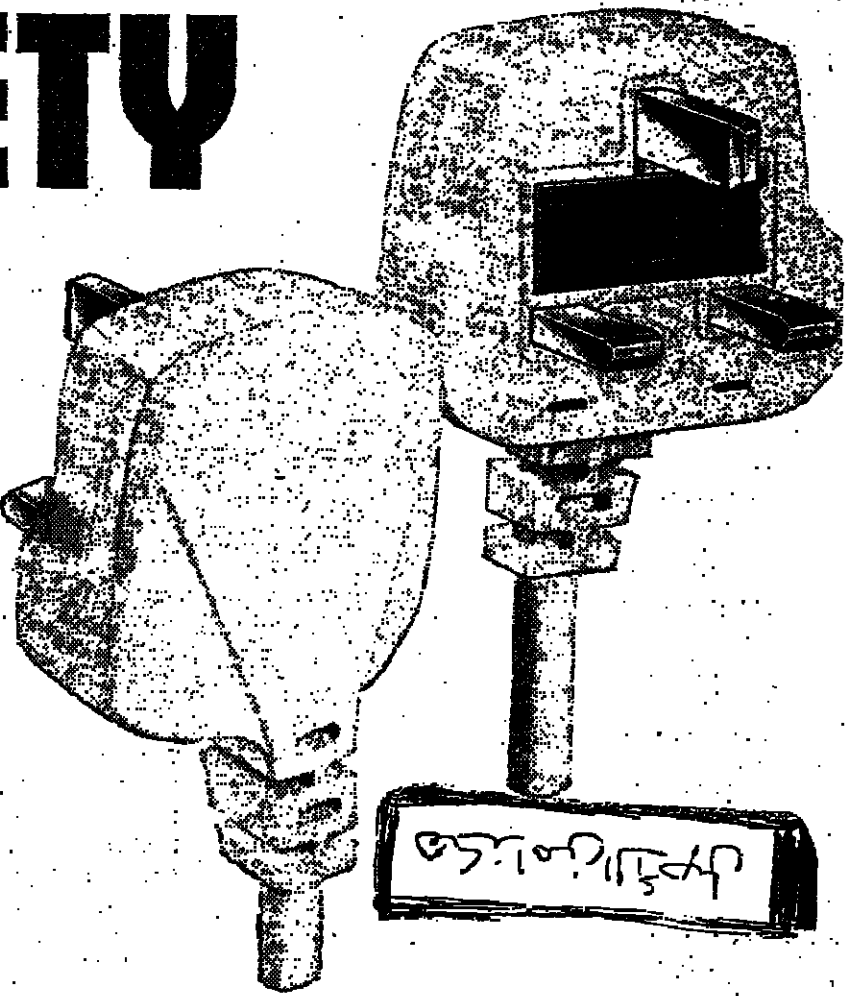
The Pencon plug has been developed in the interest of public safety. The objective was to produce an integral plug lead which would be supplied to electrical appliance manufacturers thereby enabling appliances to be ready for use immediately and safely without any additional work on the part of the user.

Furthermore the Pencon plug complies with the requirements of BS.1363A as far as this is relevant and in fact goes beyond this Standard in view of the radically new nature of the product. It is accepted by BEAB (British Electrotechnical Approvals Board) for use on BEAB approved appliances.

Electrical appliances fitted with the Pencon plug lead are now on sale in shops and showrooms throughout the U.K. and will come into even more widespread use as time goes on. A number of large and leading appliance manufacturers have adopted the Pencon plug as a standard fitting throughout their ranges of products with similar intentions in evidence by many other manufacturers in the electrical appliance industry. The plug is protected by patents and copyright designs.

The PENCON® Plug

Developed in the interest of consumer safety by Pendle Connectors Ltd., Pendle Mill, Elizabeth Street, Leigh WN7 3AE, Tel. (0942) 603412, which is a wholly-owned subsidiary of the Ward & Goldstone Group of Companies of which Pendcon is a registered trade mark.



BY THE FINANCIAL EDITOR

GEC draws on its experience

GEC's offer for Decca is not necessarily a knock-out blow, but it is sufficiently well-pitched to make Rascal, with its £65m paper offer still on the table, think hard about where it goes from here. Most important of all, the fact that it is worth £17.5m more than Rascal's bid, GEC is offering cash, though for those with a capital gains tax problem there will be an alternative of convertible unsecured loan stock.

Second, GEC is acknowledging the reality of Decca's capital structure in that at the end of the day it will be the voting shares, which represent only 38 per cent of the equity, which will decide this battle. Thus, the difference between the voters and the "A" non-voters which had been around 10 to 15 per cent in the market before the bids started coming in, should be 25 per cent in the view of GEC. If Rascal comes back with a counter it will have to think again here; its present terms offer the voters a premium of just under 11 per cent.

Thirdly, there is the question of what Decca is worth. To some extent this must involve shooting in the dark. A base point though is that the capital goods business, which is what both GEC and Rascal want, has annual sales of £100m, and Decca has substantial hidden assets, such as the music catalogue, for which PolyGram is prepared to pay as much as £9m, and the head office building in London are in Decca's book at virtually nil.

Against this it has debt of around £60m following its heavy consumer product losses, and closures, including the possibility of the television business, represent unquantified liabilities in the near future. All this suggests that if Rascal wants an auction, the bids will be notched up by rather more modest sums than GEC has delivered on this occasion to a maximum of around £90m. Decca shareholders obviously have nothing to lose by staying put for the moment, but they should be aware of two risks.

One is that the whole situation will be referred to the Monopolies Commission (though goodness knows Whitehall must have sufficient data on electronics rationalization possibilities by now). Second, Rascal could pull out now, perhaps raising the day that it did not offer more in the first place which could have kept GEC's ambitions shackled. But in the takeover game experience counts.

Lorrho

The strategy unfolds

Lorrho, has significantly undershot market estimates with declared full-year profits stated at £84m pre-tax against last year's £93.6m.

Despite the roller-coaster look of divisional returns however, the main blame for the disappointment falls on a substantial reduction in write-backs, above the line of previous over-provision for depreciation. Stripping this controversial feature out would leave profits a shade higher at £76.3m against £74.2m. Thankfully, Lorrho has now decided to abandon this procedure and write-backs will go straight to reserves.

On the trading front Lorrho has been saved from an embarrassing profit outturn by a spectacular performance from the mining companies which pushed profits up from £9.6m to £31m mainly on the back of rising gold, copper and platinum prices.

Against this the lower sugar price saw agricultural profits tumble from £21m to £11m, while the Nigerian blockade saw export confirming and finance figures drop from £18.6m to under £8m. Now, after four years on a plateau Lorrho looks to be on the verge of a profits explosion based heavily on the African mining, agricultural and trading interests. Profits from mining could almost double if the current bullion price holds, while a sugar price double that of last year's points to significant recovery in agriculture.

Even allowing nothing for a possible reopening of the Zimbabwe oil pipeline—currently in the books at £11—the group's overseas earnings can comfortably take the strain of bleak conditions at home particularly for the engineering and steel interests which saw profits fall from £13m to £8m last year.

Forecasts for the current year range from around £130m to something over £150m. Indeed, Mr Rowland is unmistakably bullish lifting the net dividend by a tenth and declaring a special 1p interim in advance.

Investment in the shares, however, is still a case of guessing the quality of African profits and putting faith in Mr Rowland's strategy. Clearly the plan is to convert vulnerable overseas returns into sound assets in the west and probably "hang the dilution".

In his attempt to alter the group profile Mr Rowland is now banking in the warm glow of a balance sheet which shows net gearing down to 36 per cent and net assets per share at 180p.



Mr Roland Rowland, chief executive of Lorrho.

Profits next year of over £140m would reduce the present p/e ratio at 101p of over 9 to under 7 while the income attractions remain in a yield of over 10 per cent despite the recent share strength. But whatever the truth about Lorrho's intentions regarding House of Fraser/Debenhams the stream of equity—shares in Lorrho have risen from 5m in 1975 to over 200m—is not going to abate and much rests on Mr Rowland's bidding judgment.

Meanwhile, the excitement caused by the future of the Gulf Fisheries 19 per cent stake and suggestions that Mr Rowland's ultimate ambition could be to reverse the group into the private empire of Mr Daniel Ludwig should see the shares yo-yoing in the next few weeks. For once, however, the downside risk seems small.

Welbeck Finance

New vehicle for credit sales

Once again Debenhams is improving the look of its balance sheet. Previous efforts to bridge its inadequate cash flow at a time of sharply rising fixed asset and working capital requirements have included sale and leaseback property deals, a £22m rights issue, the arrangement almost two years ago to sell up to £45m of its trade debts to Lloyds Bank and in recent months a series of disposals of its peripheral trading interests.

Now the stores group is going in for a more radical approach involving the setting up of a separate finance group. Welbeck Finance—in which Debenhams has a 10 per cent equity stake but which is so structured to give it all the profits—which will handle all the group's credit sales.

The attraction for Debenhams is straightforward enough. It will take off the balance sheet steadily rising borrowings, especially expensive bank overdrafts, which have been necessary to finance the growing proportion of credit sales. These have risen from £55m in 1977 to a projected £107m in 1981 and accounted for a quarter of its department store turnover last year.

With debt falling from 31 to 23 per cent this year, excluding the benefit from recent asset sales, and unlike the earlier Lloyds move which still involved borrowing and interest costs, Debenhams will benefit from the dividends it receives from Welbeck, which will still be groupable for tax purposes.

There is a more positive side as well. Once on its feet, Debenhams hopes to capitalize on its expertise in the credit field by developing Welbeck into a substantial high street credit operation, with a capital base of its own which will require only small equity injections from Debenhams to keep it growing.

As such this will provide the retail sector with an interesting innovation more than just a banking operation which will take some of the burden of credit sales off its shoulders.

Unfortunately it does nothing to answer the underlying questions about Debenhams trading philosophy, its niche in the high street and the lacklustre profits record, which most analysts expecting profits in the year just ended to be a little below the previous year.

For more than a decade Lord Shawcross has been the embodiment of self-regulation in the City in the area of takeovers and mergers. When he became chairman of the Takeover Panel in 1969, he inherited a jungle. In these eleven years he has turned it into something of a good deal more orderly.

He has done it by the force of his character and by the force of his prose. He will be a hard act for anyone to follow.

Yesterday the Bank of England was declining to confirm or deny that the Governor has decided to appoint Sir Jasper Follom, at present deputy governor of the Bank, to be his successor. Members of the Panel, however, confirm that this is what they have been told.

The retirement of Lord Shawcross would mark the end of an era of self-regulation in the British securities industry. He has brought a creative, not to say aggressive, turn of mind and policy to the office. To judge from his public record, Sir Jasper's attitude to events is more quietist. The question must be asked whether self-regulation as we know it will survive such an approach.

It has always seemed to me wrong to think of the issue of regulation in the securities market as a straight conflict between British-style self-regulation

and American-style statutory regulation, with a Securities and Exchange Commission and the rest. The fact is that in any system there are elements of statutory and elements of non-statutory regulation, just as there are elements of self-regulation and elements of outside regulation. The question at any moment is whether the existing balance is correct, or whether some change is required.

The non-statutory self-administered part of regulation in the securities market has manifest advantages. It is cheaper, quicker and more flexible. It is, however, always open to the objection that self-regulation is suspect because the whole thing is kept inside the "club". To preserve its advantages and to protect itself from damaging criticism, therefore, self-regulation cannot afford to be quietist. It has to show aggressively and publicly that it is doing its allotted part of the job.

Lord Shawcross understood these points well. When he came to the job, the City as a whole hated the idea of tough self-regulation. Most did not then accept that, if the Panel was not made to work, there would be a huge advance ahead of say, the Council of the Stock Exchange or the Committee of Lloyd's. Lord Shawcross has, nevertheless, had his critics. To some the panel's proceedings have appeared to have a "Star Chamber" quality. Also some

Why Sir Jasper must be tough

stopped the political bandwagon in favour of a British SEC after the celebrated affairs of the late 1960s.

Today, the City thinks that the Panel has been a wonderful success. The change is a measure of Lord Shawcross's achievement.

His formula has had three main ingredients. The first is that the Panel's rules have been drawn up by and in consultation with practitioners in the market place. The Panel has, therefore, always maintained the respect of its clients in a way which clearly is not the case with the present attempts by the Council for the Securities Industry to impose a code on the Issuing Houses.

Secondly, the Shawcross Panel has given steady and intelligent support to its executive. They must perform deal with the bulk of the work. It has helped everyone to know that the policy-makers and those who do the work have been speaking with the same voice. And, thirdly, Lord Shawcross has found the trick of creative leadership of a group which by its constitution, might in other circumstances almost have been designed to prefer inaction to action. In this respect, for example, the Takeover Panel has been years ahead of say, the Council of the Stock Exchange or the Committee of Lloyd's.

Lord Shawcross has, nevertheless, had his critics. To some the panel's proceedings have appeared to have a "Star Chamber" quality. Also some

people feel that two-tier standards have sometimes been applied in that established City banks have on occasion been treated with greater respect or leniency than fringe institutions or persons.

In short, there is a body of opinion, not confined to City law firms, which thinks that the arbitrary element of Panel case law has reached the point where it would be better to regulate matters in a more conventional way.

For all his undoubted influence, Lord Shawcross was not able to prevent the creation of the Council for the Securities Industry in its present form. It is becoming increasingly clear that the CSI's role in the overall system is not quite right. Rather like Mr Peter Walker's reform of local government, the CSI is the wrong sort of extra layer of self-regulation in the wrong place.

If the CSI is to have influence over the whole of the City and public companies in relationship to the Stock Exchange its shape is too narrow. If it is to be mainly interested just in the securities market, it seems to duplicate the work of the Takeover Panel and the Stock Exchange Council. The new chairman of the Panel will be in office during a period when this relationship must evolve rapidly. He may be certain, however, that if the Panel loses its "inquisitorial" edge, the frontiers of statutory regulation will be further advanced in the 1980s.

Commercial radio has benefited from the ITV strike. David Hewson reports

Switching to a 'hot' medium

When Professor Marshall McLuhan, the American authority on the media, said that radio was a "hot" medium and television a "cool one" he was describing radio's ability to stimulate the imagination and forge a link with the listener which is unique in terms of communications.

By comparison, television, with its finite visual limitations, creates its own rigid boundaries to whatever message it is trying to put over.

Professor McLuhan's theory may go some way towards explaining why television, quite apart from the size of the audience it delivers, has always been regarded as a good advertising medium, while radio has been something of a poor relation.

In trying to "capture" an audience for a product, television leaves no room for interpretation—the message comes across clearly and unambiguously. With radio, the advertiser has less control over the way in which his message is received and interpreted.

Radio will never threaten television as the prime domestic advertising medium, but its status has nevertheless changed noticeably in Britain in recent months.

At the heart of the change is the technicians' strike which has left independent radio stations for 75 days and transformed commercial radio in many eyes from the Cinderella of broadcasting to a position in which it could be regarded seriously as a selling medium.

Immediately the strike began, marketing departments with large television budgets were at a loss to know where to place their campaigns. Mr Tony Legg, sales director for Associated Independent Radio Services (AIRS), one of the three commercial radio national sales agencies, says: "People just panicked, though I don't mean that in a nasty sense. They merely got on to radio, but did not have the pre-research work to find out how effective they were."

Standard consumer research information, largely based on the existing areas of the television companies, was inadequate to calculate the efficiency of a campaign using a radio station which serves only a part of the research area.

But radio convinced some media buyers. A number of significant accounts have moved away from television to radio, and many more are expected to do so.

The £33m which the commercial stations believe they won directly from the strike may have boosted their monthly takings by as much as £2 per

cent last autumn, but it is in the long-term implications that the stations can find the most encouragement.

Agencies and producers who can meet its creative demands are thriving and there is a growing awareness of what it can achieve and how cheaply.

Mr Tony Hertz and Mr Peter Perrin started Radio Operators, one of the few agencies to deal exclusively in the medium, in 1973. "We're 300 per cent up on inquiries from potential customers on two years ago and probably 100 per cent up on finished jobs simply because we can do what every call we get," Mr Perrin says.

With the costs both of producing television commercials and of air-time soaring, the advantages of radio have become more apparent to media buyers, though it is not without its own inflationary factors.

The cost of a Radio Operators production varies greatly, according to the customers' requirements. If the company were asked to come up with a complete concept, write scripts and then produce three commercials would cost about £2,500. Adding music would almost double that and a specially written signature tune could cost a further £2,500.

Most large radio advertisers use one of the three national sales agencies—Broadcast Marketing Services and Radio Sales and Marketing—to purchase block air-time on all 19 present commercial stations broadcasting to some 65 per cent of the population. At present rates £44,300 would buy 49 30-second spots on each station during day-time shows.

Peak advertising rates apply between 6 am and 10 am on weekdays and 8 am and noon at weekends, with rates falling progressively along with the size of the audience during the day.

By comparison, the £100,000 television commercial is not uncommon, with airtime costs, on top of that, much higher than last year and viewing figures still suffering the after-effects of last year's strike.

Radio also scores with its high regional flexibility and local appeal.

A good example of appeal is the campaign which a Ford main dealer in London, Fry's of Lewisham, has been running for the past three years. Mr Bill Felton, the managing director, was initially sceptical.

"The sums concerned were fairly considerable as far as we were concerned," he says. "The company opted for a £12,000 campaign centred round a catchphrase: 'Try it, Lewisham, how can we help you?'"



Recording a "jingle": advertisers are discovering the attractions of radio.

which it now uses on the telephone switchboard.

"It's impossible to quantify, but it gave us an enormous benefit in terms of business. The company was going through a depressing stage in its development for various reasons at the time, but we did feel that morale in the place went up enormously."

"The real essence was that our name suddenly became a household one in dealer terms. We've even had people ring up and ask if they can buy the record of the ad, which is only five lines of music."

The success has made the company more conscious of its sales policy. It has increased its advertising budget to £60,000 for 1980, £38,000 of it going on radio.

"I know there are people spending millions on campaigns,

but for our type of business that's a lot of money. My dealer colleagues fall over when I tell them how much we spend."

"Talk about immediate returns is beguiling the issue. It's a very long-term business. You have to build up your strength and your message."

"I don't believe that the ideal of national newspapers, the citizen or mailing shot work as effectively as local radio."

Nine more commercial radio stations are under way and a further 15 have been approved by the Home Secretary, which will cover about 80 per cent of the country. But doubts about radio as an advertising medium persist. The first, and most important, is the lack of research about its effectiveness. One drawback, often

quoted by television advertising salesmen, is that commercial radio programmes are often a light and frothy background to some more important activity, such as cooking or ironing, for the important housewives sector.

This relegation of the advertising message to a secondary role obviously blunts its penetration. The answer, according to radio buffs, is to adjust the medium. Judging by present campaigns that means attempts—with varying success—at humour or extreme repetitiveness.

A further question mark against radio is the Independent Broadcasting Authority's announcement that it is considering, as part of its general renewal of television franchises, the formation of a new breakfast channel. This would compete with radio in its most profitable heartland, the early part of the day. Breakfast television would have to steal from radio to survive, but the threat has perhaps been exaggerated.

Who really wants to watch television during the business of getting up and off to work? Some without doubt do, but many, or so the radio men believe.

Radio will never rival television as a source of media buyers' interest—its annual revenue has yet to reach what the independent television companies receive in a month. But there is a growing realization that radio can be a complementary selling medium. It requires its own skills and offers its own benefits.

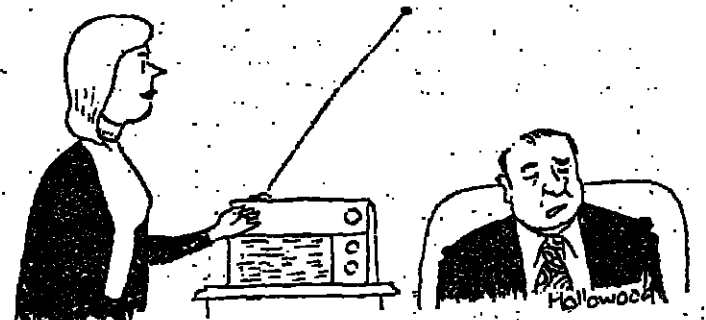
Business Diary: Who follows Solomon? • Inn dispute

A lot of guessing is going on in the currency trading world about who is going to become the American Treasury's new chief for monetary affairs. Anthony Solomon, the present incumbent as under-secretary, leaves the job on March 1 for a four weeks' leave before starting work as president of the New York Federal Reserve Bank on April 1.

According to some, it will be difficult to attract a top flight banker to the Treasury. After all, at President Carter loses November's election, who ever is appointed will quickly find himself back in the private sector. As an interim appointment, it is being suggested, the President will name someone already in the Administration. The position is considered too important to be left vacant for very long.

If the President decides to use someone from the Treasury, the clear favourite is Fred Bergsten, Assistant Secretary for International Affairs. This 38-year-old former senior fellow of the Brookings Institution, got a taste of power between 1969 and 1971 as Dr Henry Kissinger's assistant on international economic affairs in the National Security Council. He has shown a distinct inclination to wield political power ever since.

Two other possibilities in the Administration—both about the same age as Dr Bergsten—are Robert Hormatz and Richard Cooper. Hormatz took over from Cooper on Kissinger's council, became Deputy Assistant Secre-



No need to worry yet: big wars don't start until August or September.

tary of State for Economic Affairs in 1977 and recently gained the title of ambassador as Deputy United States Special Trade Representative.

For a sideways shift, as he is already Under-Secretary for Economic Affairs at the State Department. The President may, of course, surprise everyone.

A tiff has erupted between two charities looking after retired people in the pub trade, the Society of Licensed Victuallers (SLV) and the Licensed Victuallers' National Homes (LVNH). The SLV goes back to 1793 (that veteran newspaper, the Morning Advertiser belongs to the same job) and the LVNH (group) that broke away nearly forty years later. "Things have improved some what since then," says Kim-

ber, the general secretary, says that detailed plans have yet to be drawn up. The society has plans for three new homes compared with LVNH's scheme for about 14, starting with three in the North-east.

But Kimber says: "If there is a storm in a teacup it is merely on a question of timing. He could understand the LVNH being upset only if centres were to be set up in the same place."

The two charities will now be exchanging full details of their plans.

The reason behind the change of name of the Government Trade and Industry magazine to *British Business* seems a little more complicated than originally appeared.

The Department of Industry announced the change of name last week as being in keeping with the development of the magazine over the years.

Alan Williams, the managing editor, gave a different explanation when writing to subscribers in September. An industrial dispute at Her Majesty's Stationery Office was then affecting publication of *Trade and Industry*. "We have therefore advanced production of a sister magazine, *British Business*, which contains much of the information normally carried in *Trade and Industry*," he said.

The 3,000 Iron and Steel Trades Confederation members have been on strike since last Sunday before last. That was until branch officials heard about the Court of Appeal decision outlawing industrial action in the private sector. The officials consequently advised their members to resume normal working. Only a couple of hours later, however, they were told that it was up to the union executive to issue any new instructions and that until then private steel men should stay on strike. Obviously the GKN men resumed their action.

But on Tuesday the executive issued its new instruction in accordance with the Denning ruling, just as obediently, after a dignified Wednesday meeting in which the validity (temporary as it turns out) of the Court of Appeal ruling was spelt out, the GKN men decided to return to work.

Until the weekend, that is. For by then the Law Lords had overturned the Denning ruling and, loyal to the last, the GKN men came out again. Last night they were still out.

An advertisement in the Fleet Street branch of National Westminster Bank reads: "Cash in on a NatWest savings box and watch your money grow."

Underneath, the cover price of 59p had been scratched out and replaced with "65p plus VAT".

Pity the poor GKN workers who during last week's to-ing and fro-ing in the courts, must have set up some kind of "on-off" record because of their unswerving loyalty both to the law and to the instructions of their union executive.

David Hewson

MARLEY

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FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Prices lower but firmer trend after hours

A spirited performance was made by most sections of the Stock Market yesterday, in spite of the problems on the economic and labour front.

Glits were the prime focus of attention ahead of today's bank lending figures while equities managed to mark time.

Even the bullion price remained fairly steady following quieter activity on the New York market. The price of the bullion price closed \$10.5 off at \$667 an ounce.

Glits encountered some heavy selling as soon as dealings resumed yesterday morning when investors became concerned over the steel strike and the poor economic outlook.

Most held a fairly bearish outlook for today's bank lending figures, and as a result falls of between £1 and £1.25 were soon being reported. However, trading after hours showed a firmer appearance with most closing off the bottom. This resulted in falls of between £1 and £1 in longs while at the shorter end losses were limited to around the £1 to £1 mark.

In spite of this equities held relatively firm awaiting the upturn in gilt yields at the same time discounting the recent turn for the worse in the steel strike.

Dealers reported very little selling as jobbers were content to mark prices lower. Some interest was generated among special situations and bids, but for the most part investors were prepared just to bide their time.

After steadily drifting throughout the day to fall 3.8 at 2 pm the FT Index improved slightly after hours and closed only 2.1 off at 445.7.

Leading industrialists were no exception to the rule and quite content to keep a close eye on glits as prices drifted between narrow levels. Overall the market bore a confident look and was ready to advance should there be the slightest sign of improvement elsewhere.

In the events, ICI closed only 1p off at 375p as did Reed International at 200p while Rowat was firm at 175p. The threat of a drugs price war in the United States continued to hamper Glaxo 5p off at 465p.

British Home Stores is thought to be pleased with its January sales, which is more than can be said for some retailers. Analysts are still going for a 20 per cent rise in profits this year to 10p. Many competitors will be lucky to manage 10 per cent increase. Even so, BHS shares slipped 1p to 263p yesterday.

while Beecham remained unconcerned rising 1p to 118p. Fisons rose 5p to 282p in a thin market but Unilever slipped 4p to 450p.

The electrical sector again attracted the most interest among equities, where the big power struggle between the majors continued to focus attention. GEC finished unchanged at 350p following its

generous and expected cash offer for Decca which leapt 92p in the ordinary at 487p and 44p in the "A". However, fears that the counter-bid may be referred to the Monopolies Commission still lurk in the background.

Most observers still believe that Racal, down 4p at 220p, will continue to bid for Decca but remain uncommitted on just how meaningful the pledges made by former chairman, Sir Edward Lewis, will be in the light of the cash offer from GEC.

Elsewhere in electricals, shares of Ferranti began to bubble with excitement on rumours that they may well become the target of a bid. As a result the shares advanced 20p to 490p. Speculation on Tyco's intentions lifted the price of Murhead early on but this soon fizzled out and the shares closed 2p easier at 203p. But the rising price of copper wire upset M. K. Electric which tumbled 4p to 178p.

Weekend press comment provided the market with some firm features as in the case of Carless Capel 2p better at 80p. Amalgamated Power 3p firmer at 77p, Glyndwr 1p stronger at 96p and Westland Aircraft up 4p at 74p.

Investment interest also gave a fillip to other shares including Sotheby Parke Bernet 10p higher at 505p along with May & Hassel 5p to 80p, Phoenix

LASMO, fresh from exciting those who attended the Scott, Giff seminar last week, was again the centre of interest yesterday. The shares jumped 27p to 440p, on talk that the German group, Deminor, was preparing a bid. But LASMO denied such a bid, from Deminor or anyone else.

Timber 6p to 146p and Automated Securities 5p to 253p. Bid rumours were good for 18p rise to 303p for Bernard Matthews while a mention that Cons Gold is about to bid for Compair lifted the latter 2p to 75M.

At the same time, some heavy selling saw Chubb dip 6p to 151p, Charles Rill Bristol 15p to 15p and Anderson Strathclyde 6p to 61p while reports that British Air Cargo was in financial trouble knocked 20p from the shares at 40p.

Shares of Henry Norrington the agricultural machinery supplier were suspended at 163p

after a bid approach as were shares of Lydenburg Platinum at 180p following a bid from SA Mutual.

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Equity turnover on February 1, was £125.87m (15.28m bargains). Active stocks yesterday, according to the Exchange Telegraph, were: R.T.C. Racal, Compair, GEC, Premier Cons, LASMO, Western Mining, P & O, S. Constat Gold Fields, Boots and Lucas.

Thornwood steps up its Wight stake to 29.8pc

Thornwood Investments, a private investment company based in Scotland, has increased its stake in Wight Holdings to 29.8 per cent. Wight is involved in construction, plant hire and property.

Thornwood bought a total of 200,000 shares from three directors for £21p each last week raising its holding from 19.05 per cent. The Wight directors, which include the share vendor, Mr. Wight, and Mr. John Scott who sold 100,000 and Mr.

Leonard Stoddart, who sold 50,000 shares, said that the transactions would strengthen Wight.

Thornwood has assured them that it does not intend to increase its holding by market purchases or a general offer, nor does it intend to control the board. But it has requested a seat on the board for Mr. Alistair Dunn, Thornwood's managing director. Mr. Stoddart said it was likely that the board would agree to the request at its next meeting.

The Stock Exchange and the Takeover Panel have been told of the transactions and no objections have been raised.

The possibility, however, remains that Thornwood at a later date may consider using its holding for a reverse takeover over Wight's construction side, which now only plays a small part in the group's activities, is complementary to Thornwood's interests, which also include property and leasing.

Last year Wight made pretax profits of £439,000 on turnover of £11.4m compared with £535,000 profits, and £8.1m turnover in 1978.

figures are stripped out, turnover during the period rose by 18.5 per cent.

Hillards saw a fractional improvement in trading margins from 2.45 per cent to 2.5 per

Dear Shareholder,

This is your Company's seventieth operational year, and I am confident that Lonrho will continue to grow around its long-established core of mining and agriculture.

We feel that gradual expansion in the United Kingdom and the Western hemisphere is in the best long-term interest of Shareholders. This programme is now well under way, and you will see the Company progressing further from 1980 onwards, while maintaining our investment plans in Africa.

Exceptionally, profits are down this year, although the balance sheet has never been healthier. Heavy reinvestment has contributed to this and we have had trading problems in West Africa for which we have had to make provision. The SUITS Monopolies Commission hearings were an expense and restraint throughout the year, but happily with a successful outcome.

In 1979 your Company bought the Dutton-Forsyth Group, Harrison and Sons, and 50 per cent. of the Princess Hotel Group. We also acquired the remainder of the shares of Scottish and Universal Investments, which brought in a major holding in House of Fraser. You will find all these reviewed below.

You have some splendid assets, and I hope you enjoy reading about their progress last year. If you are a new Shareholder, the 19 year graphs on pages 52 and 53 will be of interest. May I call your attention to pages 30 and 31 where the Board set out the Group's general accounting policies which have been formulated by our Chief Accountant with our Auditors.

The management and employees of the Lonrho Group—world-wide—number over a hundred and forty thousand people, of whom sixty thousand work in the United Kingdom.



Harrods, Knightsbridge, London SW1.

Mining and Refining

The mining companies had a particularly good year with profits up from £9.6 million to £31 million. The main contributors have been the platinum and the gold mines, with strongly increasing prices for these metals. In the past year we produced 358,000 ounces of gold, which realised an average price of US\$261 per ounce. At the time of this review prices are still well above this level.

Output of platinum group metals is up to 124,000 ounces, and production should be still higher this year. As with gold, our costs of production remain competitive and metal prices are currently well above last year's. Research into economic technology to exploit a second reef should be completed during the year; if successful, this would enable us to expand platinum group metal production quite significantly at a reasonable capital cost. Ore reserves are extensive.

Next in importance is coal, where output increased slightly to 2.58 million tonnes of bituminous coal and 500,000 tonnes of anthracite.

Copper mining, which is not large scale, produced a useful profit. The asbestos market was dull and sales decreased to 9,700 tonnes but profit was maintained.

Our exploration programme continues, with gold, coal and platinum as the principal targets. We hold several low-grade gold properties which are viable at a price of US\$250 to 300 an ounce. Obviously with prices well above this level they become profitable. Development of certain of these deposits is already in hand and we have also acquired options over a number of other properties, both dormant and producing. Gold output would increase substantially when these mines reach production.



Mining for gold

Agriculture and Ranching

We grew and sold 330,000 tonnes of sugar and the price per tonne improved.

The new Dwangwa sugar project in Malawi started up in June, on schedule, and our participations in the Kenana scheme in the Sudan and the Savé estate in Benin continue.

The Group's tea estates processed just under ten million pounds of tea this year, most of which was sold on the London market.

Your Company continues to be a major producer of wattle extract for leather tanning. Our other agricultural activities include oil seed processing, cereals, coffee, timber and tobacco, all of which did reasonably well.

The total herd of beef cattle is still 100,000 head, after sales of 20,000 head this year.



Lonrho will continue to grow around its long-established core of mining and agriculture

R.W. Rowland, Chief Executive

Young schemes started this year in Africa include a large mushroom farm in Kenya, branded "Eldoret Mushrooms", and an agricultural scheme in Zambia is producing maize, wheat, soya beans, onions, tobacco and potatoes. Beef cattle and pigs are also included in the still expanding farms, the pig unit being the largest in Zambia. There is a large area fed by overhead irrigation.

Motors

World-wide, our subsidiaries consider that during 1980 sales should certainly exceed a hundred and fifty thousand vehicles.

In the United Kingdom, the Volkswagen-Audi franchise had a good year with sales of eighty-four thousand vehicles, about 5 per cent. of the market. We have a combination of first-class management, 350 well spread dealerships, and an exceptionally fine range of cars and commercial vehicles. The entire quota allocated to us was sold.

We have represented Mercedes-Benz in Zimbabwe and Zambia for very many years. We are probably Africa's largest and most widespread motor distributors holding nearly every major motor franchise in one country or another. We also sell motor cycles, tractors, trucks and earth movers.

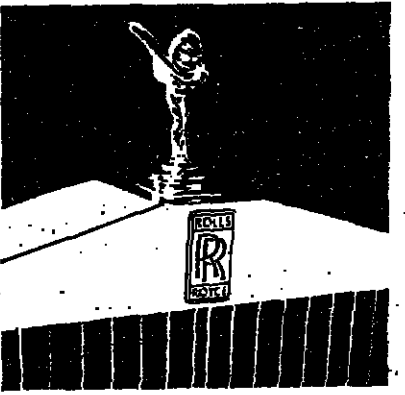
Within SUITS, the Company now owns the profitable motor trading group, Dutton-Forsyth, which has a national spread of 89 outlets. Chief amongst these is Jack Barclay, the world's largest and most prestigious distributor of Rolls-Royce and Bentley.



Volkswagen Polo and Audi

During the year our Wankel licence in Japan, Toyo Kogyo, has had considerable international success with the Mazda RX7, while promising research results have been achieved in the development of a diesel engine, for which patents and patent applications exist.

In the field of compressors and heat pumps the Wankel concept has been applied with significant advantages over traditional designs and a leading manufacturer has announced definite interest in producing a range of automobile air conditioners utilising such principles.



Rolls-Royce and Bentley through Jack Barclay

Aircraft and Cargo

Tradewinds, the cargo airline operating Boeing 707's out of Gatwick Airport, has struggled through the year, held back by fuel prices and contracting demand for air freight services.

The Lonrho Group has small aircraft based across Africa to service projects. The Falcon Executive jet, which logged millions of miles, was replaced in 1974 with a longer-range

Grumman II, averaging 1,000 flying hours a year for the Company.

The Beechcraft dealership sold sixty of their tough and popular aircraft to customers in Africa.

Kendall Globe Limited, the travel and freight agents based in England, achieved its targets for the year.

Engineering, Steel and Manufacturing

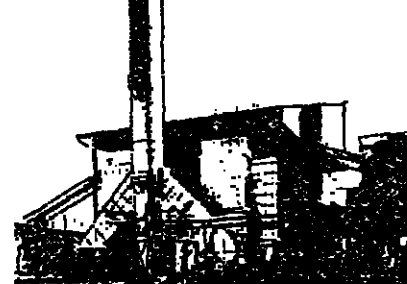
Engineering in the United Kingdom has seen turbulent trading conditions in the last twelve months. The industry suffered a ten-week strike by transport drivers, a ten-week overtime ban and partial strike by the work force and severe winter weather conditions. Despite this, your engineering division achieved a small profit.

Firsteel (cold rolled strip), J. Hartley and Company (metal fabricators) and Lightfoot Refrigeration experienced quiet trading conditions.

The steel-making plant at Hadfield's in Sheffield and the process engineering company, Newell Dunford, were reorganised to meet market conditions. The division should now show a good return, if demand improves. Sales of billet and bar were 205,631 tonnes.

Sheer Pride, who make office furniture and filing cabinets at Weybridge, had a good year, despite the loss of the Iranian market. The three Emerald Stainless Steel companies in Eire, Malta and Leeds, large-scale manufacturers of sink tops, also traded well. The plumbing factors, Peter J. Hopkinson, produced a good result, and the Homeworthy furniture factories expanded a profitable range with new products.

In Africa, our engineering and manufacturing plants had a slack year, but the economic outlook is decidedly better for 1980. Plans for 1980/1981 in Nigeria include the production of glass fibre boats, and a factory with an output of 100,000 motor cycles annually.



The new Dwangwa Sugar Factory in Malawi

Textiles

I am glad to report that the African mills had a fair year, after the doldrums of 1977 and 1978.

At Cramlington, in the United Kingdom, Lonrho Textiles makes a prize-winning range of household polyester cotton products branded "Accord" which they are very actively promoting. The quality is such that they will, we hope, be the number two brand in the country in 1980/1981. The loss-making warp knitting and long staple spinning divisions were closed by the end of 1979. The factory is extremely modern and is one of the largest complexes in Europe. Union co-operation is excellent and, although this mill was bankrupt when we took it over, I think it may now be on the road to a lasting recovery.

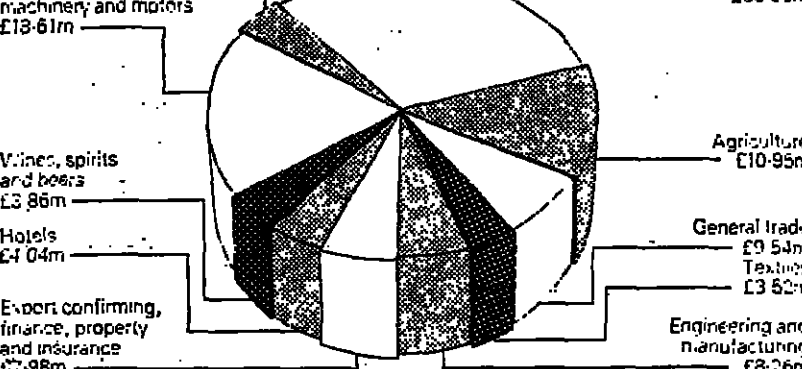
Taken as a whole, the textile division produced 120,217,183 metres of cloth.

Balance Sheet at 30 September 1979

	1979 £m	1978 £m
Funds Employed		
Share capital	52.70	47.26
Reserves	325.78	283.16
Equity interest	378.48	330.42
Minority interests	82.16	83.55
Deferred tax	6.77	4.90
	467.41	418.87
Loans	137.05	73.93
	604.46	492.80
Assets Employed		
Fixed assets	385.84	358.18
Associates	125.87	94.65
Investments	23.60	27.20
Net current assets	69.15	12.77
	604.46	492.80
Net assets per share	180p	175p

Analysis of group profit for year to 30 September 1979

(including associates)



	1979	1978
Turnover	£1,565.45m	£1,491.37m
Profit before tax and central finance charges	£100.70m	£102.69m
Central finance charges	£16.70m	£9.05m
Profit before tax	£84.00m	£93.64m

Printing and Publishing

The intended move by Outramps, publishers of the "Glasgow Herald" and "Evening Times", to their new premises in Albion Street, Glasgow, will now take place in July 1980.

The "Glasgow Herald" achieved increases in both circulation and advertising during the year, while Scottish & Universal Newspapers, the publishers of 33 weekly newspapers across Scotland, continued the re-equipment of their printing centres and opened two new plants during a successful year.

Holmes McDougall are now benefiting from their rationalisation programme of previous years. They continue as publishers, booksellers and printers, and experienced a healthy rise in magazine circulation to 2,497,000 a year.

With the introduction of the new "Sunday Standard" in Kenya, we now have five newspapers operating in Africa. Printing and publishing had a relatively poor year overseas.

Since the year end, SUITS has bought Harrison and Sons, the specialist security printers. Apart from their normal business as printers, almost all the United Kingdom's postage stamps and those of a hundred foreign countries are produced on the advanced machinery of this famous firm.



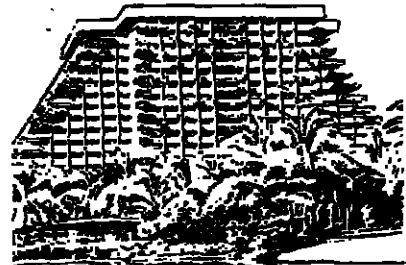
The London Metropole Hotel

Hotels

The Metropole Group in Britain had a very good year, and profits increased by 35 per cent. The luxury Metropole Hotel in Birmingham attracted 450 conferences. Where it is economically attractive, we are expanding the hotels and upgrading their facilities, and in this we are using, wherever practicable, the services of your Group's excellent building company, Fassnidge Son and Norris.

The hotels in Africa, which are all sizeable and of good quality, have had a busy year.

Just after the year end, we agreed with Mr. Daniel K. Ludwig to become an equal partner in his company, Princess Properties. The assets of that company are seven outstanding luxury hotels. The Bermuda Hamilton Princess and Southampton Princess will be known to many of the Shareholders who have visited that lovely island, and ranking among the best in the world is the Acapulco Princess, Mexico, shown on page 2.



The Acapulco Princess, Mexico

There are two hotels in the Bahamas, and an elegant city hotel in San Francisco, the Sir Francis Drake. There is now active joint management and a firm understanding to agree plans for a very fine hotel site in Mexico City, as well as to combine in future projects. The cost to your Company was US\$80 million, plus the issue of five million Lonrho shares to Mr. Ludwig.

Property

Through our wholly-owned subsidiaries, London City & Westcliff and AVP Properties, we have commercial and industrial holdings in England and France, having a book value of £43 million.

Residential properties in England in the middle price range are gradually being sold.

Wines, Spirits and Beers

The major assets in this section are the six French vineyards—Château Smith-Haut-Laffite, Château La Garde, Château Rausan-Segla, Château de la Tour, Château de Lamouroux and Château Olivier—the wine shippers, Louis Eschenauer of Bordeaux, and the Scottish whisky distilleries, Whyte & Mackay, which come within SUITS. The vineyards have done well, as have Louis Eschenauer, where sales were up 29 per cent. Volume sales of Whyte & Mackay increased 20 per cent. to 1,151,478 gallons.

In the North of England the Ashe & Nephew retail chain had sales of £34 million, and opened forty-six new outlets, bringing the total to 280 off-licences and bottle stores.

The Group's twenty traditional beer breweries, which are operated in partnership with African Governments, continue to flourish. The beer is varied from country to country, to traditional recipes, but is generally low in alcohol content and high in protein.

We also have a Coca-Cola plant located in Zambia, which is one of the largest in Africa.



Whyte & Mackay Whisky

Export Confirming and Broking

John Holt's export confirming with West Africa had to be severely reduced, as were the activities of Lonrho Exports, to weather a difficult year of economic changes in Western Africa. However, Balfour Williamson, our international confirming house, was able to achieve good profits and to expand.

The volume of cotton broking was maintained in a static market, where sharp currency movements made it necessary to adopt a cautious policy.

Pipeline

Our oil pipeline connecting Zimbabwe with the eastern coast of Africa comes into strong focus following the lifting of sanctions in Zimbabwe. The pipeline has been closed since December 1965 when sanctions first came into force. To build such a pipeline now would cost £75 million and its potential, once the Umfolosi refinery is recommissioned, is considerable.

Our action against the oil companies, who were associated in the project, is not affected by the immunity given when sanctions were lifted in December, and we are vigorously pursuing our claims.

SUITS and The Monopolies Commission

Our bid to acquire the remaining 70 per cent. of SUITS' shares was referred to the United Kingdom Monopolies and Mergers Commission in May 1978, on the grounds that SUITS, which is a major Scottish company, would be adversely affected by the amalgamation with Lonrho. After full and costly investigations lasting ten months, which included the detailed examination of our management and financial position, the Commission gave its complete approval to the merger.

Scottish shareholders in particular will be pleased to know that SUITS retains, and will keep, its direction and distinctive Scottish character and has already expanded to employ more than 10,000 people, with a turnover well in excess of £300 million.

With the acquisition of SUITS, the Group's total stake in the House of Fraser department store chain has risen to 29.99 per cent. There are no other major shareholders. Apart from Harrods, the 110-strong chain includes Barkers, D. H. Evans, Dickens & Jones, the Army & Navy Stores, Kendal Milne, Rackhams, Chiesmans and Dingles.

Conclusion

I know you will want to join all members of the Board in expressing your appreciation of the hard work and initiative of those who work for Lonrho in the United Kingdom and overseas. I want to mention the many people who work for the Company in Zimbabwe, and whose welfare is our serious concern. We would like to thank Shareholders for their confidence in us through the year. It was particularly kind of so many of you to mail your proxies in support of the Board at our last Annual General Meeting.

Yours sincerely,
R.W. Rowland

The seventy-first Annual General Meeting of Lonrho Limited will be held at the Great Room, Grosvenor House, Park Lane, London, W.1. on Friday 14th March 1980, at 12 noon.

LONRHO

Lonrho Limited, 138 Cheapside, London EC2V 6BL

The text is taken from the Chief Executive's review contained in the 1979 Report and Accounts which will be published in mid-February. Copies will be available from The Secretary, Lonrho Limited, 138 Cheapside, London, EC2V 6BL.

[illegible]

PERSONAL CHOICE

Harold Lloyd in tonight's episode of *Hollywood* (ITV, 9.00).

● I can safely recommend two natural history films tonight, both on BBC, and both the products of the natural history unit in Bristol. Foxwatch (BBC 1, 4.40) has been screened before, and the demand for a second viewing has been remorseless and thunderous. I understand. Out of 100 hours of exposed film covering nine months in the life of a family of foxes in the Bristol area, we see a mere 30 minutes. Remote control cameras, hidden under a house's floorboards, have recorded the foxes' quarrels, subsequent making up, mutual grooming, and the filling of the larder during the winter. Then, the vixen gives birth to four cubs, and the life cycle begins all over again. The other recommendable feature is *Deer at Any Price* (BBC 2, 6.45). A wily deer, but undeniably supported by the New Zealand deer, formerly pests, which now provide farmers with a lucrative living thanks to the antler velvet which is sold to the Far East for medical and aphrodisiac purposes.

● Why Jana Bakova, the Czech director of *Blue Moon* (BBC 1, 10.15) chose Concert Mayol, instead of that other famous temple of *Parisienne* music, the Folies Bergères, was because of the quality of its nudity. It was too academic at the Folies. At the new-closed Concert Mayol, she found ordinary girls with ordinary bodies, with rents to pay and children to tend. Much unadorned flesh and banal eroticism, a strippers' strike, and a soupçon of vulgarity and social context. Not really for the maiden aunt, though.

● The Radio 4 series *The Manipulators* (final programme tonight, 8.30) have really been an exercise in masochism: we have dutifully listened to accounts of how we have been brainwashed by PR men; we have been vouchsafed the tricks of this wily trade—and yet we have absolutely no intention of putting up any resistance in the future, either. Tonight's finale should be fascinating. For the first time, we are assured by the PR men at the BBC, we shall hear the awful truth about the promoting of Tory politicians from the fountaineau itself, Tim Bell, managing director of Saatchi and Saatchi.

● Have you got the measure of Pinter now? Or are you still content to be deliciously mystified? Discover tonight by listening to *A Slight Ache* (Radio 3, 7.30), the very production we first heard 10 years ago. This was, in fact, Pinter's first play for radio, and is worthy in every way to be included in Radio 3's current selection from 25 years of notable radio drama. Vivien Merchant and Michael Hordern play the married couple who invite a matchmaker into their home.

WHAT THE SYMBOLS MEAN: *STEREO; *BLACK AND WHITE; (T) REPEAT.

Broadcasting Guide

Edited by Peter Daville

TELEVISION

BBC 1

6.40 am Open University: Before Einstein; 7.30 The Planet Earth. Close down at 7.55.
9.55 For Schools, Colleges: Maths: 9.55 Maths in a Box (Alec Glasgow story); 10.16 Look and Read; 10.38 Resource Unit 11.13 History (The Sea, the Sea 1); 11.00 Watch (pottery); 11.17 Television Club; 11.38 Design by Five (Alan Coran's studio room); 12.30 Technology. Close down at 12.30.
12.45 News and weather.
1.00 Pebble Mill at One: Includes an interview with actor Bernard Bresslaw. And an expert's advice on making a will.
1.45 Trumpton: The story of the maypole's birth (Schule); 2.00 You and Me: For the very young. 1.2.3.4.5 (r).
2.14 For Schools, Colleges: Treffpunkt: Deutschland (Schule); 3.30 Julius Caesar: Part 4 of the BBC TV production. Close down at 3.00.
3.25 Dechrau Siarad: For Welsh viewers.
3.55 Play School: Tony Pocker's story Nobody Understands.
4.20 You and Me: Cartoon. Booby Trapped Bear (r).
4.25 Jackanory: Steve Hodson continues reading Nina Warner Hooker's story Teptio.

BBC 2

10.05 am Company Pensions—Who Cares? Pensions, and what the unions are doing about them (r).
11.00 play School: Same as BBC 1, 3.55.
11.25 Write Away: Barry Took's helping hand for bad spellers (r).
11.40 It's a Grand Life: Is it? The quality of school life itself that inhibits learning? (r). Close down at 12.05.
12.05 Dilemma: Is loyalty as important as we like to think it is? Professor Bernard Williams poses the question and attempts to answer it (r).
3.00 Illusions of Reality: How these old cinema newsreels showing that good news can be just as interesting as bad news (r).
3.30 The Living City: Sociology series. Last of the series (r). Close down at 3.55.
5.40 Laurel and Hardy: Me and My Pal (1933). Stanley's wedding gift to Oliver, a jigsaw puzzle, wrecks the plans for the ceremony. The finale is a spectacular fight with the police.
6.00 The Waltons: How the coming of war affects Walton's Mountain. John Walton accepts a big building contract—an action which has a profound effect on the family.
6.45 The World About Us: Deer at Any Price. The red deer are providing New Zealand with money-spinning industries. Williams poses the question and attempts to answer it (r).
7.30 News: With subtitles for the hearing impaired.
7.40 cricket: Australia v England. The third Test from Melbourne.
8.10 Company and Co: Comedy series. Lally Bowers plays the former stage star who is cheated out of a small fortune by a man using loaded dice. The Gertie of Wisdom (1977). Highly praised film from Australia. Set in Melbourne at the turn of the century, it is about a country girl (Susan Hurrell) who is seduced by a former champion, Leigh Rees, of Wales. Finishes at approximately 12.15.

THAMES

9.30 am For Schools, 9.30 Experiment (Biology); 9.47 Seeing and Doing (Circles); 10.04 Riding with Lenny; 10.16 Work (Rush-hour travel); 10.35 English (Authorship); 11.05 Leapfrog (maths); 12.12 Look Around (noise); 11.39 The Land (the South Downs, with Bill Grundy).
12.00 Paperay: Fun with paper. With Susan Stranks. New series.
12.10 pm Pippins: Another Hardy Hare story for children.
12.30 The Sullivan: family serial. A kiss in the cinema.
1.00 News. 1.20 Thames News.
1.30 Airport Chaplain: Series: How the chaplain (Ronald Forbes) intervenes in the airport strike by talking to the shop steward (Russell Hunter).
2.00 After Noon Plus: Interview with M*A*S*H star Alan Alda and a discussion on obesity.

ITV

4.40 Wildlife on One: Foxwatch. Nine months in the life of a family of foxes (see Personal Choice).
5.10 John Craven's: Newsround. Junior newsround.
5.15 Grange Hill: Comprehensive school serial. A black cat against Penny Lewis (Ruth Davies) for the school magazine article.
5.40 News with Kenneth Kendall.
5.55 Nationwide.
6.50 Robbie: A Ripe Old Age. Fyfe Robertson interview with Arthur Askey, still making us laugh at the age of 79.
7.20 The Variety Club Awards: Terry Wogan and Ray Moore compare tonight's presentation ceremony from the Savoy Hotel. London. Awards include those for radio, television, film and radio. The highlight, naturally, is the award to the Show Business Personality of 1979.
8.10 Decision: A Home for Janice? How social workers in Coventry have tried to find a happy foster-home for a 16-year-old black girl who had been abandoned by her mother's home to another. And why Lynn and Allan Jones think they can offer Janice the haven for a long-term family.
9.00 News with Richard Whitmore.
9.25 Flesh and Blood: Part 5 of series. Last of the series (r). Close down at 3.55.
5.40 Laurel and Hardy: Me and My Pal (1933). Stanley's wedding gift to Oliver, a jigsaw puzzle, wrecks the plans for the ceremony. The finale is a spectacular fight with the police.
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4.40 Wildlife on One: Foxwatch. Nine months in the life of a family of foxes (see Personal Choice).
5.10 John Craven's: Newsround. Junior newsround.
5.15 Grange Hill: Comprehensive school serial. A black cat against Penny Lewis (Ruth Davies) for the school magazine article.
5.40 News with Kenneth Kendall.
5.55 Nationwide.
6.50 Robbie: A Ripe Old Age. Fyfe Robertson interview with Arthur Askey, still making us laugh at the age of 79.
7.20 The Variety Club Awards: Terry Wogan and Ray Moore compare tonight's presentation ceremony from the Savoy Hotel. London. Awards include those for radio, television, film and radio. The highlight, naturally, is the award to the Show Business Personality of 1979.
8.10 Decision: A Home for Janice? How social workers in Coventry have tried to find a happy foster-home for a 16-year-old black girl who had been abandoned by her mother's home to another. And why Lynn and Allan Jones think they can offer Janice the haven for a long-term family.
9.00 News with Richard Whitmore.
9.25 Flesh and Blood: Part 5 of series. Last of the series (r). Close down at 3.55.
5.40 Laurel and Hardy: Me and My Pal (1933). Stanley's wedding gift to Oliver, a jigsaw puzzle, wrecks the plans for the ceremony. The finale is a spectacular fight with the police.
6.00 The Waltons: How the coming of war affects Walton's Mountain. John Walton accepts a big building contract—an action which has a profound effect on the family.
6.45 The World About Us: Deer at Any Price. The red deer are providing New Zealand with money-spinning industries. Williams poses the question and attempts to answer it (r).
7.30 News: With subtitles for the hearing impaired.
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Radio 4

6.00 am News Briefing.
6.10 Farming Today.
6.30 Today.
7.00, 8.00, 9.00.
7.30, 8.30, 9.30.
9.00 News.
9.05 Tuesday Call.
10.00 News.
10.05 to 10.15: Britain Now.
10.15 to 10.25: Daily Service.
10.25 to 10.35: The Wooden Horse (12).
11.00 News.
11.05 Play: Fingers of Suspicion.
11.30 Local Edition.
12.00 News.
12.05 am You and Yours.
12.20 Down Your Way.
12.25 Weather.
1.00 The World at One.
1.05 The Archers.
2.00 News.
2.02 Woman's Hour.
2.05 News.
2.10 Listen With Mother.
2.15 Sons and Lovers (3).
2.18 Bookstart.
2.20 Play: The End of the Party.
2.25 News.
2.30 News.
2.35 Minute.
2.40 News.
2.45 The Archers.
2.50 News.
2.55 The Archers.
3.00 News.
3.05 to 3.15: Restless Years (3).
3.15 to 3.25: The Manipulators.
3.25 to 3.35: From Our Own Correspondents.
3.35 to 3.45: Kaleidoscope.
3.45 to 3.55: The World Tonight.
3.55 to 4.05: The Hornblower Story.
4.05 to 4.15: The World at One.
4.15 to 4.25: The World Tonight.
4.25 to 4.35: The World at One.
4.35 to 4.45: The World Tonight.
4.45 to 4.55: The World at One.
4.55 to 5.05: The World Tonight.
5.05 to 5.15: The World at One.
5.15 to 5.25: The World Tonight.
5.25 to 5.35: The World at One.
5.35 to 5.45: The World Tonight.
5.45 to 5.55: The World at One.
5.55 to 6.05: The World Tonight.

Radio 3

6.00 am Cricket: Australia v England.
7.05 Weather.
7.15 News.
7.15 Records: Holst, Francaix.
8.00 News.
8.05 Records: Janacek, Dvorak, Suk.
9.00 News.
9.05 Week's Composer: Berg (incl Ch Conc.).
10.00 The Trio-Sonata.
10.10 Viola, piano: Milhaud, Britten, Brahms (Op 120 no 2).
11.45 BBC Singers: Monteverdi.
12.15 pm BBC Welsh 50/Borgel, 1.1. Vaughan Williams (Sym 81).
1.00 News.
1.05 Six Continents: world news.
1.05 to 1.15: BBC World Service (Cont. for Orchi.).
1.15 Talk: Milhaud.
2.05 Piano: Schubert, Bridge, Rachmaninov.
2.40 In the Shadows of the Great: Robbins Landon on Witt.
3.25 Records: Velechovsk. Symphonies (incl Sym 4).
4.55 News.
5.00 Music for early evening.
5.00 to 5.10: Mozart (K389).
5.10 to 5.20: A Slight Ache, by Harold Pinter (Merchant; Hordern).
5.20 to 5.30: Piano (Giles): Bach-Busoni (BWV 532).
5.30 to 5.40: Organ concertos: Haydn, Krenek (Op 230—Lst UK bcst).
5.40 to 5.50: Pierre Bernac masterclass.
5.50 to 6.00: Piano (Bingham): Prokofiev (Son 6).
6.00 to 6.10: News.
6.10 to 6.20: 5.00 am Cricket: Australia v England.

Radio 2

5.00 am News, weather. 5.04 Steve Jones. 7.32 Terry Wogan. 10.03 Colin Berry. 12.03 pm David Hamilton. 2.03 Ed Stewart. 4.03 Much More Music. 5.03 News. 5.05 Waggoners' Walk. 5.20 Much More Music. 6.03 John Dunn. 8.02 Wiv A Little Bit O' Luck (3). 8.02 Glamorous Nights. 9.55 Sports Desk. 10.02 Rolf's Walkabout. 10.30 The Cheekle Chapple. 11.02 Brian Matthew. 2.03 am 5.00 You and the Night and the Music.

Radio 1

5.00 am Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 1.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Personal Call. 8.00 Mike Read. 9.50 Newsweek. 10.00 John Peel. 12.00 5.00 am.

Radio 5

VHF RADIOS 1 AND 2: 5.00 am With Radio 2. 12.00 pm With Radio 1. 12.00-5.00 pm With Radio 2.

World Service

BBC World Service can be received in Western Europe on medium wave (845 kHz) and on short wave (15.00 MHz). 6.00 am News. 7.00 am News. 8.00 am News. 9.00 am News. 10.00 am News. 11.00 am News. 12.00 pm News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 am News. 1.00 am News. 2.00 am News. 3.00 am News. 4.00 am News. 5.00 am News. 6.00 am News. 7.00 am News. 8.00 am News. 9.00 am News. 10.00 am News. 11.00 am News. 12.00 pm News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm News. 9.00 pm News. 10.00 pm News. 11.00 pm News. 12.00 am News. 1.00 am News. 2.00 am News. 3.00 am News. 4.00 am News. 5.00 am News. 6.00 am News. 7.00 am News. 8.00 am News. 9.00 am News. 10.00 am News. 11.00 am News. 12.00 pm News. 1.00 pm News. 2.00 pm News. 3.00 pm News. 4.00 pm News. 5.00 pm News. 6.00 pm News. 7.00 pm News. 8.00 pm 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